

FIS Brent Daily technical

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FIS Technical (Daily)– Brent June 26



Support	Resistance	Current Price	Bull	Bear
S1	R1	107.07	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8 - 21 period EMA's
- RSI is above 50 (59)
- Stochastic is below 50
- Technical Outlook previously: Symmetrical triangle
- We noted last week that the futures were in a very large symmetrical triangle pattern between USD 94.24 and USD 106.54. In theory, directional bias would come from a close and hold outside of the pattern. If the RSI started to cross its trend resistance line, it would signal that buy-side pressure was increasing. Conversely a close and hold below USD 94.24 would suggest that support levels were becoming vulnerable. Points of note that lean to the buy-side. Managed money remains long. The dated Brent spread v June Futures closed at USD 18.44 last night, suggesting managed money would continue to hold long while the spread remained wide.
- The futures broke to the downside on the 1 day opening of the straight, meaning the move failed to hold. Price has since broken to the upside. We are above all key moving averages supported by the RSI above 50.
- Upside moves that fail at or below USD 109.61 will leave the futures vulnerable to further tests to the downside.
- Technical Outlook: Buy-side pressure increasing,
- The upside breakout on the symmetrical triangle has momentum support, as trend resistance has been broken. The increase in buy-side pressure is warning that the USD 109.61 Fibonacci resistance could be tested and broken. If it is, then the probability of price trading to a new low will begin to decrease, warning the USD 109.50 fractal high could come under pressure. Conversely, a close back in the symmetrical pattern will neutralise the upside move.