

FIS Brent Daily technical

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FIS Technical (Daily)– Brent July 26



Support	Resistance	Current Price	Bull	Bear
S1	R1	104.50		RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8 - 21 period EMA's
- RSI is above 50 (48)
- Stochastic is oversold
- Technical Outlook previously: Bullish ascending triangle
- We noted last week that although we were highlighting a bullish ascending triangle, it was important to remember that price action was considered as neutral while within the pattern. The rising trend support implied underlying support, warning a break from the pattern could be to the upside; however, this should not be taken as a guarantee, it was only a warning of bullish intent. Directional bias would come from a close that held outside of the triangle pattern; if it was to the upside, then USD 116.27 would be an area of interest to market buyers, as a move above this level would reduce the probability of new lows being achieved.
- The futures broke to the upside; however, the following day produced an indecision candle in the form of a Doji, resulting in price selling into the triangle and below its support. Price is now testing a longer-term support line. We are below the 8-21 period EMA's with the RSI below 50.
- Upside moves that fail at or below USD 116.27 will leave the futures vulnerable to further tests to the downside, above this level the technical will re-enter bullish territory.
- Technical Outlook: Inflection point
- The failed upside breakout warns that the futures are lacking bull support; however, price is currently testing but remains above the trend support line at USD 104.33. A close and hold below the support line will signal an increase in sell side pressure, meaning support levels will become vulnerable. Conversely, while above the trend line, resistance is considered as vulnerable. With the futures failing to hold the upside breakout, while the RSI is finding resistance below 60, we do have a more cautious approach to higher moves at this point.