

FIS Brent Daily technical

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FIS Technical (Daily)– Brent Aug 26



	Support	Resistance	Current Price	Bull	Bear
S1	89.78	R1	94.71	Stochastic oversold	RSI below 50
S2	83.42	R2			
S3	75.40	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8 - 21 period EMA's
- RSI is below 50 (42)
- Stochastic is oversold
- Technical Outlook previously: Caution on downside moves
- We noted last week that the futures had produced a 3-wave corrective move lower with price trading below the 61.8% Fibonacci projection at USD 94.98; if we held below this level then price would remain vulnerable to further tests to the downside. The RSI was showing negative velocity and negative acceleration, supporting a weakening technical; however, we were seeing signals that suggested caution on lower moves at these levels. 1) the intraday 4-hour RSI was divergent with price, warning sell side momentum could slow down. 2) The RSI was holding around the 40 level 3) Corrective patterns form in three's, or variations off. Aggregate volume was higher in the previous two days (single contract volume was reducing, possibly relating to the roll). Technically, if we reclaimed and hold the 61.8% Fib extension at USD 94.98, it would warn of underlying support in the market. At that point, we are cautious on lower moves, but acknowledge we were not seeing buy signals.
- The futures traded to a high of USD 98.99 before seeing bids fade. We remain below the 8-21 period EMA's supported by the RSI below 50.
- Upside moves that fail at or below USD 105.97 will leave the futures vulnerable to further tests to the downside, above this level the probability of price trading to a new low will begin to decrease.
- Technical Outlook: caution on downside moves
- The futures have moved higher on the intraday divergence highlighted previously; however, the RSI moving average implied that momentum remains weak at this point. Although we have seen a pullback from the 98.99 high, due to the intraday divergence in play we continue to have a note of caution on downside moves. A close above the high of the bearish candle on the 04/06 at USD 97.44 would signal that buy-side pressure is once again increasing, warning the Fibonacci resistance zone could come back under pressure.