

FIS Brent Daily technical

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FIS Technical (Daily)– Brent Aug 26



Support	Resistance	Current Price	Bull	Bear
S1	R1	72.63	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8 - 21 period EMA's
- RSI is below 50 (27)
- Stochastic is oversold
- Technical Outlook previously: Upside moves considered as countertrend.
- We noted previously that the downside move to new low had resulted in a lower timeframe Elliott wave extension, suggesting upside moves should be considered as countertrend in the near-term. We identified USD 94.51 as the key resistance to follow, if breached, then the probability of price achieving new lows would begin to decrease.
- The futures have continued to sell lower with price reaming in a bearish trending environment. We are below all key moving averages supported by the RSI below 50.
- Upside moves that fail at or below USD 89.83 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technical Outlook: Neutral
- On the sell side, the futures have closed below the 200-period MA at USD 78.73, while below the average support levels will be considered as vulnerable. However, on the intraday 4-hour chart we have divergences on both the RSI and ROC (Rate Of Change), we also have a very minor divergence on the daily chart. The divergences are a condition, warning that sell side momentum could slow down, they are not a buy signal and need confirmation from price. Aggregate volumes show a dip on the bid support between the 18th-19th of June, before rising again on the lower move, although this in theory supports the bear argument, bear volume is not particularly elevated. The Elliott wave cycle continues to suggest that upside moves should be considered as countertrend, providing we hold below resistance at USD 89.83. Technically we are becoming neutral at these levels, as the intraday divergences are countering the close below the daily 200-MA. Volume is steady but does not indicate significant bearish intensity.

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