

FIS Brent Daily technical

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FIS Technical (Daily)– Brent Sep 26



Support	Resistance	Current Price	Bull	Bear
S1	R1	71.85	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: Neutral
- We noted last week that on the sell side the futures had closed below the 200-period MA at USD 78.73, while below the average, support levels would be considered as vulnerable. However, on the intraday 4-hour chart we had divergences on both the RSI and ROC (Rate Of Change), we also had a very minor divergence on the daily chart. The divergences were a condition, warning that sell side momentum could slow down, they were not a buy signal and needed confirmation from price. Aggregate volumes showed a dip on the bid support between the 18th-19th of June, before rising again on the lower move, although this in theory supported the bear argument, bear volume was not particularly elevated. The Elliott wave cycle continued to suggest that upside moves should be considered as countertrend, providing we held below resistance at USD 89.83. Technically we were becoming neutral at those levels, as the intraday divergences were countering the close below the daily 200-MA. Volume was steady but did not indicate significant bearish intensity.
- The futures have seen a very small move lower, we remain below all key moving averages with the RSI below 50.
- Upside moves that fail at or below USD 89.19 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technical Outlook: Caution on downside moves
- The futures are divergent on both the daily and intraday timeframes, meaning we maintain a cautious approach to lower moves at these levels. However, the longer-term Elliott wave cycle implies that upside moves should be considered as countertrend, providing we remain below the USD 89.19 resistance. Above USD 89.19 the probability of price trading to a new low would begin to decrease. We are in a bearish trending environment with the intraday divergence offset by a negative reversal pattern, implying support could come back under pressure in the very near-term. Market shorts should act with caution on a move above the USD 73.64 fractal resistance, as it will signal an increase in buyside pressure.

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