

FIS Brent Daily technical

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FIS Technical (Daily)– Brent Sep 26



Support	Resistance	Current Price	Bull	Bear
S1	70.08	75.63	Stochastic oversold	RSI below 50
S2	67.59			
S3	65.10			
	R1	79.03		
	R2	79.18		
	R3	81.17		

Synopsis - Intraday

Source Bloomberg

- Price is between the 8 - 21 period EMA's
- RSI is below 50 (40)
- Stochastic is oversold
- Technical Outlook previously: Caution on downside moves
- The futures were divergent on both the daily and intraday timeframes last week, meaning we maintained a cautious approach to lower moves at those levels. However, the longer-term Elliott wave cycle implied that upside moves should be considered as countertrend, providing we remained below the USD 89.19 resistance. Above USD 89.19 the probability of price trading to a new low would begin to decrease. We were 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 would signal an increase in buyside pressure.
- The futures have seen bid support on the divergence resulting in the USD 73.64 fractal resistance being broken. Price is between the 8-21 period EMA's 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 upside moves
- Our Elliott wave analysis continues to suggest that upside moves should be considered as countertrend, providing we remain below the USD 89.19 level. Above USD 89.19 the probability of price trading to a new low would begin to decrease. The daily 200-period MA is at USD 79.03 while the weekly 200-period MA is at USD 79.18, meaning we have key benchmark averages acting as a blocker to upside moves. The rejection of the daily average yesterday was on lower volume, warning of buyside support entering the market, as it suggest market buyers have stepped back, rather than sell side pressure. A close and hold above the USD 79.18 level will signal an increase in buyside pressure, warning resistance could be tested. The momentum push on the intraday technical does warn we could see another test of the USD 80.59 high that formed on the 08/07; however, this technical needs to see a bullish close and hold above USD 79.18 to support near-term upside continuation. There is evidence of support, but we continue to be cautious on higher moves.

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