FIS Brent Daily technical

info@freightinvestor.com | www.freightinvestorservices.com | (+44) 207 090 1120

FIS Technical (Daily)– Brent Sep 26

Support		Resistance		Current Price	Bull	Bear
S1	89.83	R1	107.28	98.87	RSI above 50	Stochastic overbought
S2	86.07	R2	114.37			
S3	80.97	R3	126.41			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8 - 21 period EMA's
- RSI is above 50 (71)
- Stochastic is overbought
- Technical Outlook previously: Buyside pressure increasing
- From a technical perspective last week the futures were above both the daily and weekly 200-period averages, signaling buyside pressure was increasing. In theory, our Elliott wave analysis suggests that upside moves should be considered as countertrend, providing we remain below the USD 89.19 resistance. We noted that wave analysis is based of market psychology, the closure of the strait meant that psychology was changing, meaning the USD 89.19 level was vulnerable. If broken, then the probability of price trading to a new low would begin to decrease. Saying that, we had a small rejection candle below key resistance, this had been followed by two Doji's. There was indecision and uncertainty in the markets at those levels, as reflected in recent price action; however, if we traded and close above the high of the rejection candle at USD 87.55, it would signal upside continuation. Psychology was changing, but we need the bullish close to move higher. Market buyer's should act with caution on a close and hold below the daily 200-period MA, as it would signal an increase in sell side pressure.
- The futures closed above the high of the rejection candle at USD 87.55, resulting in price trading at a high of USD 102.00. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 80.97 will support a bull argument, below this level the probability of price trading at a new high will begin to decrease.
- Technical Outlook: Downside moves considered as countertrend.
- The RSI has moved from below 30 to above 70 in a short period of time, this momentum blast-off has bullish implications going forward. We also note that our intraday Elliott wave cycle has seen a bullish Elliott wave extension; both signals would indicate that downside moves should be considered as countertrend, providing we hold above the USD 80.97 Fibonacci support. Below USD 80.97 the probability of price trading at a new high will begin to decrease. This upside move has both momentum and volume support, suggesting throwback should be considered as bullish rather than bearish.