FIS Tanker Technical

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TD3C Aug 26 (Rolling Front Month)

Support		Resistance		Current Price	Bull	Bear
S1	51.31	R1	66.19	61.64	Stochastics oversold	RSI below 50
S2	43.93	R2	72.82			
S3	43.20	R3	78.04			

Synopsis - Intraday

Chart source Bloomberg

- Price is between the 8-21 period EMA’s
- RSI is below 50 (36)
- Stochastic is oversold
- Technical outlook previously— Caution on upside moves
- We noted previously that the futures look to be in a corrective Elliott wave C with price finding light bid support above the 200-period MA at 42.00. The RSI had breached the 40 level having made new lows, alongside price, meaning we had bearish momentum confirmation, suggesting upside moves have the potential to be counter trend at that point. We also noted that an Elliott wave C should consist of 5-waves, at this point we only have a 3-wave pattern from the high at USD 86.90; this supported our bearish momentum confirmation.
- The futures have found light bid support with price now trading within the Fibonacci resistance zone. Price is between the 8-21 period EMA’s with the RSI below 50.
- Upside moves that fail at or below USD 72.82 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
- As highlighted in the last report, the bearish momentum confirmation alongside the structure of the corrective wave C suggested that upside moves should be considered as countertrend, providing the USD 72.82 resistance is not breached. Although we are seeing bid support the RSI remains below its resistance line, implying momentum has not yet turned to the buyside. Our analysis suggests caution is warranted on higher moves; if however the USD 72.82 resistance is breached, then the probability of price trading to a new low will begin to decrease, meaning we would have a neutral view.