FIS Brent Intraday Morning Technical

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

Brent Nov 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	106.76	R1	111.46	107.75	RSI above 50	
S2	103.53	R2	112.91			
S3	103.38	R3	117.57			

Synopsis—Intraday

Chart source Bloomberg

- Price is above the 10-50 period SMA's (Simple Moving Average)
- RSI is above 50 (61)
- Stochastic is above 50
- Price is above the daily point USD 106.76
- Technical outlook Previously: Downisde moves considered as countertrend
- The upside move to a new high yesterday had resulted in the divergence failing, signaling a lower timeframe bullish Elliott wave extension, meaning downside moves should be considered as countertrend. The RSI was above 60 but price and momentum were conflicting; if the RSI closed above its average, then resistance levels would become vulnerable. Throwbacks below USD 98.86 would suggest we could be entering a higher timeframe corrective phase. With two small rejection candles on the open, market buyers would want to see price close above the USD 108.49 fractal resistance with RSI support.
- The futures closed above the two small rejection candle yesterday; however, we lacked momentum support, resulting in price coming under pressure into the close. Light bis support in the Asian day session means price is back above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle above USD 106.76 with the RSI at or above 63.5 would mean price and momentum are aligned to the buyside; likewise, a close below this level would mean it is aligned to the sell side. Downside moves that hold at or above USD 94.78 would support a longer-term bull argument, below this level the technical would have a neutral bias.
- Technical outlook: Downside moves considered as countertrend
- Unchanged on the technical this morning. The futures are yet to trade at a new high, suggesting downside moves should be considered as counter-trend at this point. As highlighted yesterday, throwbacks below USD 98.86 would suggest price is entering a higher timeframe corrective phase. For upside continuation, the RSI will need to be above its MA; the caveat, above USD 109.97 the RSI could be divergent with price, warning buyside momentum could slow. We are becoming more neutral on the technical, as upside breakouts have the potential to be limited, yet based on our Elliott wave analysis, downside moves should in theory be countertrend.

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at freightinvestorservices.com