FIS Brent Daily technical

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FIS Technical (Daily)– Brent Nov 26



Support		Resistance		Current Price	Bull	Bear
S1	93.63	R1	96.89	95.42	RSI above 50	
S2	92.96	R2	102.00			
S3	89.56	R3	107.28			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8 - 21 period EMA's
- RSI is above 50 (61)
- Stochastic is above 50
- Technical Outlook previously: Neutral
- We noted last week that on the buyside we had key Fibonacci support at USD 83.75, the 200-period MA at USD 83.25, and trend support at USD 83.30, price was above this support zone. However, the throwback breached the USD 85.85 fractal support, meaning price had made a lower low. From an Elliott wave perspective, the support break signaled that the move could not have been bullish impulse, suggesting caution on higher moves in the near-term. We noted that it could be that the futures could form a consolidation pattern, we could move lower, or even higher (we were above the support zone). However; from a technical perspective, bullish markets did not make lower lows during what looked to be an impulse phase, meaning we were neutral.
- Th futures have gone on to trade at a new high, we are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 89.56 will support a bull argument, below this level the probability of price trading at a new high would begin to decrease.
- Technical Outlook: Downside moves considered as countertrend
- Trying to link the Elliott wave structures is proving problematic, the upside move to a high of USD 102.00 had momentum support, as the RSI moved from below 30 to above 70. This is known as a momentum blast-off, and has bullish implications. We have not marked the wave cycle on the chart for this move 9to the USD 102.00 high); however, on the intraday technical, it looks to be a 5-wave pattern, where the 5th wave was extended. We noted last week that the fractal break below USD 85.85 meant that the technical was not bullish, we can see that price has since traded at new highs. Again, when looking at the intraday Elliott cycles, it looks like we have seen a 5-wave pattern higher, followed by a correction below USD 85.85, and then a move to new highs. The intraday wave cycles are marked on the daily timeframe. If correct, and this move is bullish impulse, then throwbacks should in theory hold above the USD 89.56 level. If we trade below USD 85.41, then I cannot see how the cycle could be bullish, at that point, our analysis would suggest we could test the USD 70.14 support.

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