FIS Brent Daily technical

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

FIS Technical (Daily)– Brent Nov 26



Support		Resistance		Current Price	Bull	Bear
S1	100.57	R1	96.89	103.58	RSI above 50	Stochastic overbought
S2	97.68	R2	102.00			
S3	93.75	R3	107.28			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8 - 21 period EMA's
- RSI is above 50 (66)
- Stochastic is overbought
- Technical Outlook previously: Neutral
- Downside moves considered as countertrend
- We noted last week that trying to link the Elliott wave structures was proving problematic, the upside move to a high of USD 102.00 had momentum support, the RSI moved from below 30 to above 70. This was known as a momentum blast-off, and had bullish implications. We had not marked the wave cycle on the chart for the move (to 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 could see that price had since traded at new highs. Again, when looking at the intraday Elliott cycles, it looks like we had 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 were marked on the daily timeframe. If correct, and this move was bullish impulse, then throwbacks should in theory hold above the USD 89.56 level. If we trade below USD 85.41, then I could see how the cycle could be bullish, at that point, our analysis would suggest we could test the USD 70.14 support.
- The move was bullish impulse resulting in price trading at a high of USD 109.97 before entering a corrective phase. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 93.75 will support a bull argument, below this level the technical will have a neutral bias.
- Technical Outlook: Sell side pressure increasing
- After a strong upside move on the 10/09, the futures are potentially looking at an equally strong move lower today (11/09). A close below the low of the last dominant high volume bull candle at USD 100.19 would suggest that sell side pressure is increasing, warning the USD 93.75 support could be tested. We mark this as a key level on the technical, as throwbacks that hold at or above this level would warn of underlying support in the market, leaving price vulnerable to further upside moves. Conversely, below this level the throwback would be considered as deep, suggesting the probability of price trading at a new high was started to decrease, signaling a neutral technical.

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