FIS Brent Daily technical

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FIS Technical (Daily)– Brent Nov 26



Support		Resistance		Current Price	Bull	Bear
S1	101.06	R1	109.52	104.84	RSI above 50	Stochastic overbought
S2	97.68	R2	113.28			
S3	93.75	R3	117.03			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8 - 21 period EMA's
- RSI is above 50 (59)
- Stochastic is overbought
- Technical Outlook previously: Sell side pressure increasing
- We noted previously that we had closed below the trend support line at USD 104.63, but we were yet to close below the low of the last dominant bull candle at USD 100.19; if we did, it would confirm that we were seeing an increase in sell side pressure. We continue to identify USD 93.75 as a key support to follow, 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 starting to decrease, signaling a neutral technical. Market sellers should act with caution if we failed to close below the USD 100.19 level followed by a close back above the trend support line, as this would suggest that market buyers remained in control. The dark cloud cover candle pattern and the trend break warn that we are seeing signs of an increase in sell side pressure, but a confirmation close below USD 100.19 was needed.
- The futures sold to a low of USD 97.36 before finding buyside support. We are back above all key moving averages supported by the RSI below 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: buyside pressure is increasing
- The downside move in the futures held above the USD 93.75 support, while the upside move has traded above the USD 105.34 resistance, signaling buyside pressure has increased. A close and hold above the trend resistance line at USD 109.15, supported by the RSI holding above 60, would suggest market buyers could look to test the USD 117.03 level. Lower timeframe Elliott wave analysis suggests that downside moves should be considered as countertrend; however, if the RSI rejects the 60 level, followed by a breach in the USD 101.06 support, the technical will warn that the corrective phase has the potential to become more complex. Moves below 101.06 will negate the move above the USD 105.34 resistance.

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