

Brent Dec 26 Morning Technical Comment – 240 Min



Support	Resistance	Current price	Bull	Bear
S1	R1	110.19	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

- Synopsis- Intraday**

- Price is above the 10–50 period SMAs (Simple Moving Averages).
- RSI is above 50 (57).
- Stochastic is above 50.
- Price is above the daily point 108.91
- Technical outlook previously: Negative RSI divergence
- The upside move to a new high had created a negative RSI divergence. This was not a sell signal; it was a condition that warned that buy-side momentum could slowdown in the near-term, meaning it needed to be monitored. As the RSI was already above 50, if the RSI made a new high, then the bullish momentum confirmation would warn that the USD 113.53 resistance could be tested and broken. Throwbacks that held at or above the USD 106.17 support would leave price vulnerable to further impulse moves higher.
- The futures traded at a high of USD 111.99 before entering a corrective phase, resulting in price selling below the USD 106.30 support; however, an aggressive bounce has put price above USD 109.94, meaning the futures have re-entered bullish territory, bringing the USD 106.30 support back into play. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 108.91, with the RSI at or above 61.5, would mean price and momentum are aligned to the buy-side; likewise, a close below this level would mean it is aligned to the sell side. Downside moves that hold at or above USD 106.30 would support a bullish argument. Below this level, the technical outlook would have a neutral bias.
- Technical outlook: Supported
- The upside move above the USD 109.94 resistance signals that price action is supported, as price has re-entered bullish territory. However, we did initially sell off on a negative RSI divergence that breached key resistance, above USD 111.99 would create further divergences. This is a condition that warns buy-side momentum could slow down, it is not a sell signal, confirmation would be needed in the form of bearish price action. Technically supported based on the resistance break, there are warning signs; the upside move to USD 110.75 on the open saw the RSI reject the 60 level, an early warning of potential momentum weakness, we also note that price and momentum are currently conflicting. If we are to trade at new highs, then the RSI will need to reclaim on hold the 60 level. We now see key longer-term support at USD 102.14, throwbacks that hold at or above this level would suggest that there is a larger, bullish Elliott wave cycle in play.

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 FZCO ("FIS FZCO") 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