FIS Brent Daily technical

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

FIS Technical (Daily)– Brent Dec 26



Support		Resistance		Current Price	Bull	Bear
S1	97.68	R1	101.92	99.08	RSI below 50	
S2	93.75	R2	105.54			
S3	90.66	R3	109.97			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8 - 21 period EMA's
- RSI is below 50 (48)
- Stochastic is above 50
- Technical Outlook previously: buyside pressure is increasing
- We noted last week that the downside move in the futures had held above the USD 93.75 support, while the upside move had traded above the USD 105.34 resistance, signaling buyside pressure had 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 suggested 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 would negate the move above the USD 105.34 resistance.
- The RSI closed but failed to hold above the 60 level with price failing to achieve a new high, the move below USD 101.06 signals we are in a more complex corrective phase. We are below the 8-21 period EMA's 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: Corrective
- We failed to trade at a new high, it could be that the wave 5 truncated (failed to make a new high); however, at this point, our Elliott wave analysis suggests that this is a complex corrective phase. Throwbacks that trade below the USD 93.75 support would reduce the probability of price trading at a new high, increasing the probability of a cycle failure. USD 96.03 is the 100% Fibonacci projection of the initial move lower, making this an area of interest from a support perspective. A close and hold below USD 96.03 would warn that the USD 93.75 support could come under pressure. The RSI is now below 50 meaning we have negative velocity and negative acceleration, bringing into focus the 40 level. Throwbacks that hold at or below 50 would imply that there is underlying support in the market. Caution is warranted around the USD 96.03 area, as we have the potential to attract buy-side support.

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 www.freightinvestorservices.com