FIS Brent Daily technical

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FIS Technical (Daily)– Brent Dec 26



Support		Resistance		Current Price	Bull	Bear
S1	97.68	R1	108.71	102.96	RSI above 50	
S2	95.38	R2	109.97			
S3	93.75	R3	112.47			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8 - 21 period EMA's
- RSI is above 50 (54)
- Stochastic is below 50
- Technical Outlook previously: Corrective
- We noted last week that we had failed to trade at a new high, we highlighted that it could be that the wave 5 had truncated (failed to make a new high); however, at that point, our Elliott wave analysis suggests that this was a complex corrective phase. Throwbacks that traded 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 was 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 was 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 was warranted around the USD 96.03 area, as we had the potential to attract buy-side support.
- having traded at a low of USD 96.55 the futures have seen bid support, meaning the USD 96.03 support held. We are above all key moving averages with 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: Supported
- The upside move above the intraday resistance at USD 104.65 means that the probability of the futures trading at a new low has started to decrease. The RSI has moved above its trend resistance line; however, at this point it is not a clean break. If the RSI holds above the resistance line it will warn that momentum pressure is increasing. This is not prerequisite to a move higher, but momentum can act as a lead indicator, so should therefor be monitored. Upside moves above the USD 108.83 resistance would signal an increase in buyside pressure, warning the USD 109.97 fractal high could be tested and broken. Market bulls should act with caution if the RSI fails to hold above its resistance line. Price is supported having held the USD 96.03 level, while the RSI is showing signs of support, but needs further confirmation at this point. As highlighted previously, our Elliott wave analysis suggest that throwbacks should be treated as corrective and not bearish while above USD 93.75.

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