

FIS Technical - Brent October Futures

Technical Analyst

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Comment:

Brent futures held at support last week resulting in higher prices.

Technical resistance can be found between USD 53.00 and USD 53.64. Failure to trade above USD 53.00 should put support levels under pressure as this will be attractive to technical sellers.

For market buyers a close above USD 52.55 would indicate increased buying pressure, and should be enough to test upside resistance at USD 53.64.

Brent October Futures



Resistance – 53.00, 53.64, 54.67

Support- 51.30, 50.00, 50.65, 47.68

Stochastic Daily 65

Stochastic weekly 84

Trend – Bullish

Current support levels held last week resulting in a USD 2.00 move higher. The trend remains technically bullish and has produced another higher low in the market, suggesting we could test technical resistance at USD 53.00 and potentially the USD 53.64 resistance in the near term.

Although the trend is bullish, USD 53.00 remains a strong resistance zone due to the consolidation that formed between 28-7-17 to 10-8-17. Failure to trade above USD 53.00 would suggest the USD 51.30 level should potentially be broken, with market bears targeting the USD 50.00 level.

For market buyers USD 53.00 remains the key near term resistance. However, a close above the USD 52.55 would signal market strength, and signal to technical buyers that bullish momentum is building and resistance levels will be challenged.

Technical Analysis Glossary

Pivot Point

A point where the market makes a new high or low, before reversing in direction.

Trend Line

A directional line connecting pivot points.

Primary Trend

The main trend line over an extended period of time.

Secondary Trend

Distinct from but within the primary trend. Indicates recent trend.

Support

A previous market low where market participants have been prepared to enter long positions.

Resistance

A previous market high where market participants have been prepared enter short positions.

Range

An area between the support and resistance.

Relative Strength Index (RSI)

A technical momentum indicator that compares the magnitude of recent gains to recent losses in an attempt to determine overbought and oversold conditions in an asset. The RSI ranges from 0 to 100. Typically speaking, an asset is deemed to be overbought once the RSI approaches the 70 level, and likewise, as the RSI approaches 30, it is deemed to be oversold.

Fibonacci Retracement

Refers to areas of support or resistance. A Fibonacci retracement shows the potential retracement of a financial asset relative to the original move in price. A trend line is drawn between two points and then the vertical distance is divided by key Fibonacci ratios; 23.60%, 38.25%, 50.00%, 61.80% and 100.00%. This tool can also be used as a projection method.

Moving Average Convergence Divergence (MACD)

A trend-following momentum indicator that shows the relationship between two moving averages of prices. The MACD is calculated by subtracting the 26-day exponential moving average (EMA) from the 12-day EMA. A nine-day EMA of the MACD, called the "signal line", is then plotted on top of the MACD, functioning as a trigger for buy and sell signals on the crossover of the two lines. The histogram highlights the narrowing and widening of the two averages acting as an indicator for slowing or increasing momentum in the market. I.E a flattening or decreasing histogram in an upward market would suggest that the upward move could soon stall.

Award winning broker

In 2015 FIS was named as the best performing inter-dealing broker in Iron Ore swaps and options by Singapore-based SGX AsiaClear for the third consecutive year.

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