

FIS Technical - Brent November Futures

Technical Analyst

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Comment:

The USD 53.00 support level has been tested and confirmed. Resulting in a bullish rejection candle.

The higher highs and higher low keep the November futures in bullish trending conditions.

Market buyers should look to tighten risk on a close below USD 53.00 or if a lower high forms.

Brent November Futures



Resistance – 54.87, 56.65, 56.92

Support- 53.00, 52.30, 50.58

Stochastic Daily 83

Stochastic weekly 90

Trend – Bullish

The USD 53.00 technical support was tested and held yesterday on the Brent futures, resulting in a bullish rejection candle from the support and the mean.

Technically the trend remains bullish as it is producing higher highs and higher lows. Market longs should look to tighten risk on a close below USD 53.00 as this will put the Brent futures back in the trading range between USD 53.00 and USD 50.00.

Market buyers should look for a close above USD 54.54 for fresh entries, targeting the USD 56.65 resistance or higher.

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

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