

## FIS Technical - Brent May Futures

Technical Analyst

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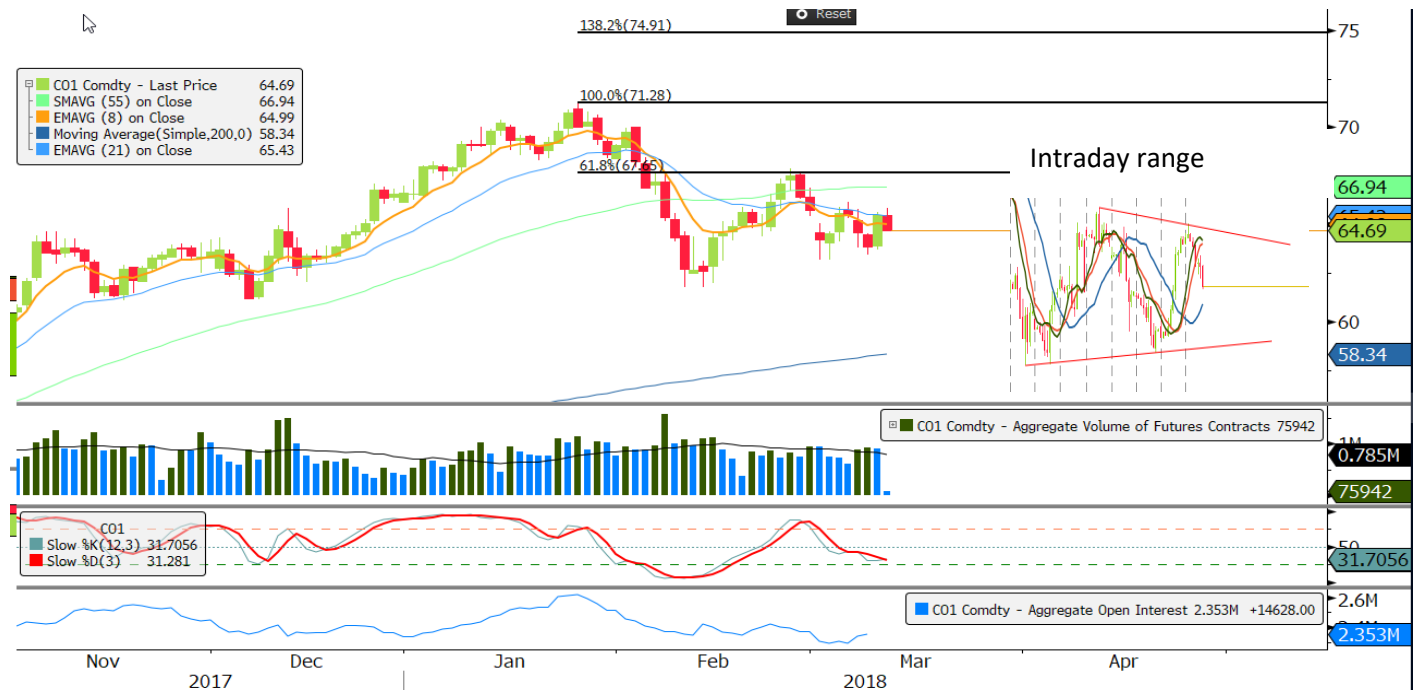
### Comment:

The Brent futures remain in bear territory with resistance at USD 66.16. A close above this level would create a fresh market high and suggest the technical picture is firming.

The exponential Moving averages have now started to flatten out which would suggest the market itself is no longer in trend and has the potential to enter a technical range.

Technical support is at USD 63.19 and resistance is at USD 66.16, a close outside of this range is now needed to confirm the direction of the next technical move.

## Brent May Futures Daily



Source Bloomberg

Resistance – 66.16, 67.65, 70.02

Support- 63.43, 63.19, 61.76

The daily technical on the Brent futures remains in a corrective phase. A higher low has formed at USD 63.43 and a close above that on today's technical will confirm that as being a new support level.

Technical resistance on the daily chart is at USD 66.16; price action above this level would create a higher market high and suggest the technical is firming. However, the 8 period EMA remains below the 21 period EMA indicating we remain in bear territory, both EMA's remain below the 55 period MA.

Downside moves that trade below the recent low at USD 63.43 would confirm the technical remains corrective and from an Elliot wave perspective suggest an increased probability of downside continuation.

From a technical perspective the Brent futures remain in bear territory. The Exponential Moving Averages (EMA's) have now started to flatten out and this would suggest we could be entering a technical range between USD 63.19 and USD 66.16. A breakout from this range is now needed in either direction for technical confirmation of the next directional move.

## 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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