



Brent Intraday Morning Technical

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Brent June 23 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	80.99	R1	83.55	Stochastic oversold	RSI below 50
S2	80.24	R2	83.82		
S3	79.80	R3	84.52		

Synopsis—Intraday

- Price is below the 8-21 period EMA's
- RSI below 50 (33)
- Stochastic is oversold
- Price is below the daily pivot point USD 83.55
- We remain bullish with a neutral bias yesterday, the MA on the RSI would suggest that the USD 83.50 support looked vulnerable, if broken the intraday technical would become bearish. However, we had a bullish window (support gap) between USD 83.50-USD 79.80, the whole of this area is a support zone. The caveat was that markets like to try and close gaps (to test the will of the market buyer). We had seen an open interest build since the OPEC cut, if USD 83.50 was broken, any fresh longs could look to exit, supporting a bear argument. As momentum suggested, support was broken with the futures moving lower for the remainder of the session and this morning. Price is below the 8-21 period EMA's supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 83.55 with the RSI at or above 42.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 85.47 will leave the futures vulnerable to further tests to the downside, above this level the futures will target the USD 87.49 fractal resistance.
- The futures are trying to close the bullish gap created by the OPEC cut. However, we are now approaching the 200-period MA at USD 81.05 which in theory could be a natural area of support; however, we should note that this average is flat, meaning it may not get the support one would expect as it is not in trend. Bearish, we maintain a downside target of USD 79.80 at this point.

Chart source Bloomberg