



Brent Intraday Morning Technical

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Brent October 23 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	85.28	R1	86.73	RSI above 50	Stochastic overbought
S2	83.84	R2	87.86		
S3	83.29	R3	89.57		

Synopsis—Intraday

- Price is above the 8-21 period EMA's
- RSI is above 50 (56)
- Stochastic is overbought
- Price is above the daily pivot point USD 85.28
- Technically we remained in bullish territory yesterday; however, the futures were correcting on the back of a negative divergence whilst the MA on the RSI was starting to turn lower. Both suggested that momentum is weakening, leaving the USD 83.82 support level vulnerable. If we did see a close on the 4-hour candle above USD 86.25, it would suggest that momentum based on price was starting to strengthen, indicating the USD 86.73 fractal high could come under pressure. Note: a new high would create further negative divergences at this point, meaning upside breakouts would not be considered a technical buy. The futures did move lower with the USD 83.82 support being breached, meaning the technical had a neutral bias; however, price rebounded resulting in the futures entering back into bull territory. Price is above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 85.28 with the RSI at or below 52 will mean price and momentum are aligned to the sell side.
- Technically bullish, the USD 86.73 resistance is starting to look like it could be tested and broken. However, as noted in the previous reports, upside breakouts will create a negative divergence with the RSI (there are three divergences in play at this point), not a sell signal it is a warning that we have the potential to see a momentum slowdown. A cautious bull: from a technical perspective, the futures are not considered a buy at these levels.

Chart source Bloomberg