



Brent Intraday Morning Technical

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Brent Dec 23 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear	
S1	89.92	R1	90.18	Stochastic oversold	RSI below 50	
S2	88.99	R2				92.62
S3	87.82	R3				93.59

Synopsis—Intraday

Chart source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (36)
- Stochastic is oversold
- Price is below the daily pivot point USD 91.39
- Technically we were bullish with a neutral bias yesterday due to the pullback on the roll, a move below USD 91.80 would mean the intraday technical was bearish. The downside move had created a bearish gap in the market with the high of the gap at 95.20, this was now a resistance zone; however, we noted that markets do like to try and close these gaps, meaning we could see a move to the upside in the near-term to test the resilience of market sellers. The futures did have an intraday test to the upside, but we failed to hold due to rising bond yields in the U.S. A move below USD 91.80 means the intraday technical is now bearish, price is below the 8-21 period EMA's with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 91.39 with the RSI at or above 47 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 94.90 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI does suggest that momentum remains weak. However, the futures are testing (and currently holding above) the 200-period MA (USD 89.75), a close below that holds below this level will warn that support levels could come under pressure. Likewise, if we hold above this level, it will support a buyer's argument. Our longer-term Elliott wave count (currently a 676 min candle chart) would suggest that the current move lower is potentially countertrend, making USD 87.29 the key support to follow. If broken, the probability of the futures trading to a new high will decrease, meaning the longer-term wave cycle will be considered as bullish but with a neutral bias.

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