



# Brent Intraday Morning Technical

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## Brent Dec 23 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	86.00	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

### Synopsis—Intraday

Chart source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (29)
- Stochastic is oversold
- Price is below the daily pivot point USD 87.68
- Technically bearish yesterday, the futures were in divergence with price holding above the 200-period average, suggesting caution on downside moves. The gap lower on the back of the roll was making the intraday corrective wave difficult to read, meaning we are unsure if the next move higher will be bullish, or still part of the corrective cycle. However, the futures were not considered a technical sell due to the divergence and the average support. Note: the longer-term Elliott wave cycle remained bullish above USD 87.29 and neutral below. Well, we got this one horribly wrong. The futures had a very strong downside move yesterday resulting in the USD 87.29 support being broken, the longer-term Elliott wave cycle now has a neutral bias. Price is below all key moving averages 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 87.68 with the RSI at or above 38 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 89,61 will leave the futures vulnerable to further tests to the downside.
- Technically bearish, the MA on the RSI would suggest momentum is weak, the new low on the RSI would imply that upside moves should be considered as countertrend, making USD 89.61 the key resistance to follow. The 1-hour RSI is in divergence, not a buy signal it warns that we have the potential to see a momentum slowdown and will need to be monitored. The break in the USD 87.29 support does mean that the longer-term Elliott wave cycle now has a neutral bias, as the depth of the pullback would suggest that the probability of the futures trading to a new low has started to decrease.

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