



Brent Intraday Morning Technical

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Brent Jan 24 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	82.58	R1	85.52	Stochastic oversold	RSI below 50
S2	81.94	R2	87.07		
S3	79.54	R3	88.25		

Synopsis—Intraday

Chart source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (35)
- Stochastic is oversold
- Price is below the daily pivot point USD 85.52
- We remained technically bearish yesterday with the new low in the morning creating another positive divergence with the RSI. For this reason, we maintained our view that the futures are not considered a technical sell. The MA on the RSI continued to suggest that momentum is supported at this point. The futures traded higher yesterday; however, price has come under pressure overnight, resulting in the futures trading to a new low. 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 85.52 with the RSI at or above 44 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below 88.25 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The upside move in the futures yesterday found resistance and rejected its moving averages, resulting in price trading lower. If we work on the basis of Fibonacci projection on the daily chart, it is suggesting that we do have the potential to trade as low as USD 81.94. However, the futures have now traded below the USD 83.44 fractal low on the daily chart, meaning we have divergences on both the daily and intraday charts. This is not a buy signal; it is a warning that we have the potential to see a momentum slowdown and will need to be monitored. For this reason, we maintain a cautious view on downside moves at this point.

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