



Brent Intraday Morning Technical

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Brent Jan 24 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	80.92	R1	81.75	Stochastic oversold	RSI below 50
S2	79.24	R2			
S3	76.53	R3			

Synopsis—Intraday

Chart source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (31)
- Stochastic is oversold
- Price is below the daily pivot point USD 82.67
- The upside move in the futures previously found resistance and rejected its moving averages, resulting in price trading lower. Working on the basis of Fibonacci projection on the daily chart, the technical suggested that we had the potential to trade as low as USD 81.94. However, the futures had traded below the USD 83.44 fractal low on the daily chart, meaning we were in divergence on both the daily and intraday charts. This was not a buy signal; it warned that we had the potential to see a momentum slowdown which needed to be monitored. For this reason, we maintain a cautious view on downside moves. The futures traded below the USD 81.94 target with price finding light bid support in the in the Asian day session. 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 82.67 with the RSI at or above 44 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below 85.62 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the futures have traded to a low of USD 81.26 resulting in the near-term divergence failing. This is warning that intraday upside moves should now be considered as countertrend, as the lower timeframe Elliott wave cycle is extending to the downside. The MA on the RSI is implying that momentum remains weak at this point, supporting the wave cycle. Upside moves above USD 85.62 will mean that the probability of the futures trading to a new low will start to decrease.

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