



Brent Intraday Morning Technical

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Brent Mar 24 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	80.25	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (58)
- Stochastic is overbought
- Price is above the daily pivot point 79.79
- We remained in a consolidation phase with the RSI back below its MA yesterday, the average was flat, implying momentum was neutral. The aggregate open interest had not decreased with price above the weekly pivot point at USD 75.52, indicating the market remained supported. However, we wanted to highlight the price and momentum move higher (highlighted in Friday's weekly report). The upside move between the 13th and 26th of Dec resulted in a move USD 9.43 higher over 8 days. The move that started on the 3rd of Jan has been in play for 12 days, but price was only USD 3.26 higher (based on yesterday's current price). The Aggregate open interest move was greater than the move in December, meaning we had a larger longer position forming. We were supported, but the market was looking for an 'event' due to the uncertainty in the Red Sea. However, the technical suggested that upside momentum was weaker in price and time, with a larger longer position. From a technical perspective, this market was vulnerable to a corrective move lower if an 'event' did not materialize soon. For this reason, we were cautious on upside moves. The futures have moved higher with price remaining stable on the open due to further retaliations to the attacks on shipping in the Red Sea. We are above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 79.79 with the RSI at or below 54.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 77.85 will support a near-term bull argument, below this level the USD 76.50 fractal support will start to look vulnerable.
- We have had an event in the terms the International Maritime Force has retaliated, resulting in the RSI testing resistance into the close. However, on the price and momentum move, we maintain our view that this move higher is weaker than the previous move, warning it is vulnerable to a move lower. The play is geopolitical, we still have aggregate open interests (AOI) support which could well create a move to new highs. I highlight the technical risk, as I am looking at this from a pure technical point of view. AOI and 200-period weekly MA says we move higher; price action suggests caution. Outside of the technical it is pretty generic, the market is warning that there is an expectation of either a larger event, or continued attacks, that will affect the transportation of oil and create rising costs.

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