



Brent Intraday Morning Technical

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Brent Mar 24 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	82.00	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 (63)
- Stochastic is overbought
- Price is above the daily pivot point 81.66
- Technically unchanged yesterday, the RSI was in divergence on the 1-and-4-hour charts, not a sell signal, it warned that we had the potential to see a momentum slowdown. We had seen a test to the upside previously; however, this had created a move lower in the aggregate open interest (AOI), suggesting that market longs had started to exit on the upside move. The drop is only small but needed to be monitored to see if it continued to move lower. If we move higher with a dropping AOI, the signal is considered as bearish from a technical point of view (Murphy). As previously stated, we remained cautious on upside moves as the current move higher was weaker in time and price than the rally in December. The futures continued to move higher with both timeframe divergences failing. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 81.66 with the RSI at or below 54 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 78.56 will support a near-term bull argument, below this level the 76.50 support will start to look vulnerable.
- The longer-term technical remains bearish with a neutral bias. The futures continue to move higher with the near-term divergences failing yesterday, the MA on the RSI continues to suggest that momentum is supported. The close yesterday was above the 200-period MA (USD 81.71), if we can hold above this level, it will further support a bull argument. Likewise, if we close below and hold below the average, then support levels will become vulnerable. AOI was flat yesterday, meaning that there was an equal balance of fresh longs and shorts in the market. As noted previously, we will continue to monitor the open interest in case it starts to drop on moves higher. We have seen a small pullback on the open as the RSI has found resistance at its December highs. If we do close on the 4-hour candle below USD 8,166 it will warn that intraday momentum is weakening based on price, if this is supported by the RSI moving below 50, then support levels could come under pressure. The time and price argument will remain in play until we trade above USD 84.13; however, this will then mean that A-B will equal C-D (Dec – Jan projected), a natural technical selling area for CTA longs if there has been no further rise in Red Sea tensions. We continue to have a cautious view on moves higher due to the time price scenario and the RSI resistance, but acknowledge that momentum is supported at this point.

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