



Brent Intraday Morning Technical

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Brent Dec 24 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	76.86	R1	78.31	77.84	RSI above 50	
S2	75.54	R2	79.53			
S3	73.74	R3	81.59			

Synopsis—Intraday

Chart source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is above 50 (53)
- Stochastic is oversold
- Price is below the daily pivot point 78.31
- We remained in a bullish trending environment yesterday with price above the 8-21 period EMA's. We highlighted in the weekly report on Friday that the USD 81.59 fractal resistance could be tested and broken, if we traded above the USD 77.20; this scenario was looking more likely due to the price movement above the USD 77.20 level. There looked to have been some form of manipulation (or a very unfortunate fat finger) on the close on Monday night, as the futures had printed at USD 78.05 (closed USD 80.93), creating a negative divergence with the RSI on the open this morning. However, the technical footprint had not changed, downside moves looked like they should be countertrend, (this is based on our lower timeframe Elliott wave analysis) with resistance levels remaining vulnerable.
- The futures entered a corrective phase with price testing but holding above the Fibonacci support zone. We are now below the 8-21 period EMA's with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 78.31 with the RSI at or above 60.5 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 73.74 will support a near-term bull argument; likewise, upside moves that fail at or below USD 79.53 will warn that we could see further tests to the downside within the current corrective phase.
- Technically bullish but in a corrective phase, our Elliott wave analysis is indicating that downside moves look like they could be countertrend. However, corrective moves often form in 3-wave patterns, suggesting intraday upside moves have the potential to be countertrend in the very near-term, making USD 79.53 the key resistance to follow. A move above this level, will warn that the probability of the futures trading below the USD 76.36 fractal support has started to decrease.

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