



Brent Intraday Morning Technical

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Brent Dec 24 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	71.19	R1	72.13	71.85		RSI below 50
S2	69.73	R2	73.23			
S3	67.88	R3	73.86			

Synopsis—Intraday

Chart source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (41)
- Stochastic is oversold
- Price is below the daily pivot point 72.18
- Technically bearish yesterday, the downside move on the open below USD 72.50 had created a positive divergence with the RSI. Not a buy signal, it warned that we had the potential to see a momentum slowdown, which needed to be monitored. However, the move lower had broken the nearest RSI support, warning that upside moves had the potential to be countertrend in the near-term, making USD 74.99 the key resistance to follow. A move above this level would warn that the probability of the futures trading to a new low will start to decrease.
- The futures sold to a low of USD 71.18 before finding light bid support into the close. We remain below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 72.18 with the RSI at or above 46.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 74.72 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI continues to suggest that momentum remains weak. We are still in divergence; however, this is now minor but will need to be monitored. As noted yesterday, the break in RSI support on the gap lower means that upside moves look like they could be countertrend in the near-term. We continue to have a note of caution on downside moves, as breakouts below USD 71.18 could struggle to hold.

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