



Brent Intraday Morning Technical

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Brent Dec 24 Morning Technical Comment – 240 Min



| | Support | Resistance | Current Price | Bull | Bear |
|----|---------|------------|---------------|------|--------------|
| S1 | 71.58 | R1 | 72.94 | | RSI below 50 |
| S2 | 71.19 | R2 | 73.63 | | |
| S3 | 69.73 | R3 | 74.56 | | |

Synopsis—Intraday

Chart source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is below 50 (43)
- Stochastic is below 50
- Price is below the daily pivot point 71.58
- Technically bearish yesterday, the MA on the RSI continued to suggest that momentum remained weak. We were still in divergence; however, we noted that it was now minor but still needed to be monitored. As noted previously, the break in RSI support on the gap lower meant that upside moves looked like they could be countertrend in the near-term. We continued to have a note of caution on downside moves, as breakouts below USD 71.18 could struggle to hold.
- The futures traded to a low of USD 70.72; however, the downside breakout has failed to hold. Price is between the 8-21 period EMA's with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 71.58 with the RSI at or below 38.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 74.56 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 are finding buyside support on the divergence highlighted yesterday. The MA on the RSI is flat, implying momentum is turning neutral; however, as noted previously, we maintain our view that upside moves look like they could be countertrend, based on the breaking near-term support on the 28/10. If we do trade above the USD 74.56 resistance, it will warn that the probability of the futures trading to a new low will start to decrease.

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