



Brent Intraday Morning Technical

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Brent Jan 25 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	71.89	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

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 72.51
- Technically bearish but with a neutral bias yesterday, the MA on the RSI implied that momentum was weak. The Symmetrical break to the downside warned that the USD 72.60 support could be tested and broken. If it was, we would enter bearish territory, meaning the USD 70.72 fractal low could become vulnerable. Likewise, if we mean-revert back to the 200-period MA (USD 74.83), then price action will be considered as neutral.
- The futures sold below the USD 72.60 support, meaning the USD 70.72 fractal low is starting to look vulnerable, as the technical is back in bearish territory. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 72.51 with the RSI at or above 47 will mean price and momentum are aligned to the buyside. 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 we are now back in bearish territory. There seems to have been some random pricing on the close that has caused a positive divergence with the RSI. Although the divergence should probably be ignored due to the pricing anomaly, faster moving momentum indicators are overextended to the downside. A close on the 4-hour candle above USD 72.29 will warn that momentum based on price is increasing, leaving the technical vulnerable to an intraday move higher. However, with price being back in bearish territory, we maintain our view that the USD 70.72 support is still vulnerable, suggesting upside moves should in theory be countertrend.

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