



Brent Intraday Morning Technical

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Brent Jan 25 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	72.09	R1	72.43	Stochastic oversold	RSI below 50
S2	71.67	R2			
S3	70.72	R3			

Synopsis—Intraday

Chart source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (45)
- Stochastic is oversold
- Price is above the daily pivot point 72.09
- Technically yesterday. We noted that there had been some random pricing on the close that had caused a positive divergence with the RSI. We highlighted that although the divergence should probably be ignored due to the pricing anomaly, faster moving momentum indicators were overextended to the downside. A close on the 4-hour candle above USD 72.29 would warn that momentum based on price was increasing, leaving the technical vulnerable to an intraday move higher. However, with price being back in bearish territory, we maintained our view that the USD 70.72 support was still vulnerable, suggesting upside moves should in theory be countertrend
- Sideways price action yesterday has been followed by a small move higher today. We are 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 72.09 with the RSI at or below 40 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 yesterday, we are moving higher on the oversold momentum, meaning resistance levels are vulnerable in the near-term. However, as highlighted previously, with price back in bearish territory, the technical is warning that upside moves could be countertrend. If we do trade above the USD 74.56 level, then the probability of the futures trading to a new low will start to decrease.

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