



Brent Intraday Morning Technical

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Brent Jan 25 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	73.06	R1	73.74	73.48		RSI below 50
S2	72.30	R2	75.05			
S3	71.71	R3	76.24			

Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is below 50 (49)
- Stochastic is below 50
- Price is below the daily pivot point 73.74
- Technically bearish with a neutral bias yesterday, the probability of the futures trading to a new low was starting to decrease, making USD 72.12 the key support to follow. Lower timeframe Elliott wave analysis warned that we could have one more test to the upside within this phase of the cycle; however, the futures remained in divergence with the RSI, meaning we maintained a cautious view on upside moves at these levels, as they could struggle to hold above USD 75.41. We noted that the weekly close had produced a bullish engulfing candle, implying there is an underlying support in the market on the higher timeframe, warning that there may be a larger, bullish Elliott wave cycle in play.
- The futures sold lower on the divergence, resulting in price selling below all key moving averages with the RSI back below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 73.74 with the RSI at or above 56.5 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 72.30 will support a bull argument, below this level the technical will be back in bearish territory.
- We remain bearish with a neutral bias, the MA on the RSI is implying that momentum is weak, whilst price is back below the 200-period MA (USD 74.10). A bullish engulfing candle on the weekly chart does warn of underlying support in the market; however, if we trade below USD 72.30, then the futures will be back in bearish territory, warning that USD 70.70 fractal low will start to look vulnerable. We have a note of caution on moves lower whilst above the USD 72.30 level.

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