



# Brent Intraday Morning Technical

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## Brent Jan 25 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	72.30	R1	72.93	Stochastic oversold	RSI below 50
S2	71.71	R2			
S3	70.70	R3			

### Synopsis—Intraday

Chart source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (46)
- Stochastic is oversold
- Price is below the daily pivot point 73.09
- We remain bearish with a neutral bias yesterday, the MA on the RSI implied that momentum was weak, whilst price was back below the 200-period MA (USD 74.10). A bullish engulfing candle on the weekly chart did warn of underlying support in the market; however, we noted that if we traded below USD 72.30, then the futures would be back in bearish territory, warning that USD 70.70 fractal low would start to look vulnerable. We had a note of caution on moves lower whilst above the USD 72.30 level.
- The futures moved lower on the peace agreement between Israel and Hezbollah, resulting in the USD 72.30 support being breached. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting, as the previous candle closed above the daily pivot level.
- A close on the 4-hour candle above USD 73.09 with the RSI at or above 51.5 will mean price and momentum are aligned to the buyside; likewise, a close below this level will mean it is aligned to the sell side. Upside moves that fail at or below USD 74.28 will leave the futures vulnerable to further tests to the downside, above this level the technical will be back in bullish territory.
- Technically bullish with a neutral bias, the MA on the RSI is implying that momentum is weak. The breach in the USD 72.30 support means that the probability of the futures trading to a new high have started to decrease. The ceasefire news means that the move is non-technical, the pullback suggests we could move lower. However, the 1-hour RSI is in divergence with the RSI, warning we could see a momentum slowdown. This divergence could be ignored due to the recent news. Very unclear today, meaning we are neutral until the market defines its structure.

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