

FIS Brent Intraday Morning Technical

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Brent Aug 25 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	66.93	R1	67.93	67.41	Stochastic oversold	RSI below 50
S2	63.00	R2	72.38			
S3	60.83	R3	74.11			

Synopsis—Intraday

Chart source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (35)
- Stochastic is oversold
- Price is below the daily pivot point 67.93
- Technically bearish yesterday, we noted that the driving force in Brent was outside of the usual market psychology, meaning we are going to discount the Elliott wave cycle. The MA on the RSI implied that momentum remained weak, whilst the depth of the pullback indicated that upside moves should be considered as countertrend. Price was above the intraday 200-period MA (USD 67.61), if we held above the average, and price and momentum became aligned to the buyside, then we could see the 8-21 period EMA's come under pressure in the near-term. Based on the depth of the pullback, we remained cautious on upside moves at this point.
- Sideways action yesterday, we have seen a small move lower on the open today, meaning price is trading just below the intraday 200-period MA (USD 67.74). We are below all key moving averages supported by the RSI below 50, intra-day price and momentum are conflicting.
- A close on the 4-hour candle above USD 67.93 with the RSI at or above 37.5 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 76.44 will leave the futures vulnerable to further tests to the downside, above this level the Elliott wave cycle will be back in bullish territory.
- Unchanged on the technical this morning, the MA on the RSI is now flat, implying sell side momentum is neutral. If we close and hold above the 200-period MA, supported by price and momentum becoming aligned to the buyside, then Fibonacci resistance levels could come under pressure. However, based on the depth of the pullback, we maintain our view that upside moves have the potential to be countertrend.

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