

FIS Brent Intraday Morning Technical

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Brent Sep 25 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	68.91	R1	70.29	69.28	RSI above 50	Stochastic overbought
S2	68.42	R2	72.09			
S3	67.22	R3	73.87			

Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (53)
- Stochastic is overbought
- Price is above the daily pivot point 68.91
- Technically bullish yesterday with price closing back above the 200-period MA, implying there was an underlying support in the market. However, as highlighted previously, the depth of the pullback did suggest that upside moves had the potential to be countertrend, making USD 76.27 the key support to follow. Upside moves above this level would warn that the probability of the futures trading to a new low will start to decrease.
- The futures have continued to see light bid support having held above the intraday 200-period MA (USD 68.42). We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 68.91 with the RSI at or below 48.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 76.27 will leave the futures vulnerable to further tests to the downside, above this level the Elliott wave cycle will be back in bullish territory.
- Technically bullish, the MA on the RSI implies that we have light momentum support. Having traded to a high of USD 69.64 into the close yesterday, the futures have seen a very light pullback due to a 1-hour divergence with the RSI. A move above USD 69.94 has the potential to create a second negative divergence on the lower timeframe, meaning we have a note of caution on upside breakouts at this point. If we move higher and the divergence fails, it will support a near-term buyers argument; however, for upside continuation, we will need to see a daily close that holds above the daily linear-regression line (USD 70.29). As noted previously, the depth of the pullback does suggest that upside moves should in theory be countertrend.

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