

FIS Brent Intraday Morning Technical

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

Brent Sep 25 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	69.95	R1	71.80	70.30	RSI above 50	Stochastic overbought
S2	97.95	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 (59)
- Stochastic is overbought
- Price is above the daily pivot point 69.95
- Technically bullish yesterday, the MA on the RSI implied that we had light momentum support. Having traded to a high of USD 69.64 into the close previously, the futures had seen a very light pullback due to a 1-hour divergence with the RSI. A move above USD 69.94 had the potential to create a second negative divergence on the lower timeframe, meaning we had a note of caution on upside breakouts at that point. If we moved higher and the divergence failed, it would support a near-term buyers argument; however, for upside continuation, we would need to see a daily close that held above the daily linear-regression line (USD 70.29). As noted previously, the depth of the pullback did suggest that upside moves should in theory be countertrend.
- The futures traded to a high of USD 70.68 yesterday, resulting in the 1-hour divergence failing. However, as small pullback into the close has been followed by a new high, creating a second positive divergence with the 1-hour RSI. Price is above all key intraday 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 69.95 with the RSI at or below 54 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.
- The futures remain technically bullish with the MA on the RSI implying momentum is supported. However, the 1-hour RSI is back in divergence, whilst the 4—hour RSI is in a resistance zone that had previously acted as a support during the upside move in June. For this reason, we now have a note of caution on moves higher at these levels, as they could struggle to hold.

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