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FIS

Brent Intraday Morning Technical

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Brent Dec 25 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	65.43	R1	67.19			
S2	65.01	R2	67.62	65.81	Stochastic oversold	RSI below 50
S3	63.98	R3	68.22			

Synopsis—Intraday

Chart source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (33)
- Stochastic is oversold
- Price is below the daily point USD 67.19
- Technically bullish with a neutral bias yesterday, the probability of the futures trading to a new high had started to decrease. The MA on the RSI implied that momentum remained weak; however, price was approaching the intraday 200-period MA (USD 67.43); a close that held below this level would further weaken the technical. Conversely, if the average held, it would suggest there was intraday support in the market. The rejection of the daily 200-period MA (USD 70.04) had resulted in a pullback that had been deeper than expected, implying higher timeframe sellers were in the market, meaning we had have a note of caution on intraday upside moves.
- The futures closed an held below the intraday 200-period MA (USD 67.45) before gapping lower on the roll into Dec, the intraday technical is now bearish. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close below the 4—hour candle above USD 67.19 with the RSI at or above 45 will mean price and momentum are aligned to the buyside.

 Upside moves that fail at or below USD 68.98 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI implies that momentum remains weak, whilst the RSI low is warning that upside moves should in theory be countertrend, making USD 68.98 the key resistance to follow. Above this level, the probability of price trading to a new low will start to decrease. Upside rejection of the daily 200-peirod MA now has a momentum low to support it, warning the USD 65.01 fractal support is becoming vulnerable.

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