

Brent Dec 25 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	63.98	R1	66.58	65.29		RSI below 50
S2	63.00	R2	67.38			
S3	62.14	R3	68.46			

Synopsis—Intraday

Chart source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (43)
- Stochastic is above 50
- Price is on/below the daily point USD 65.33
- Technically bearish yesterday, the MA on the RSI implied that momentum was supported. However, as highlighted previously, the momentum low warned that upside moves had the potential to be countertrend, making USD 68.46 the key resistance to follow. A move above this level would mean that the probability of the futures trading to a new low would start to decrease. For downside continuation, the futures would need to close and hold below the USD 65.01 level.
- The futures remain supported above the USD 65.01 level. We are below the 8-21 period EMA's with the RSI below 50, intraday price and momentum are aligned to the buyside, as the previous candle close was above the daily pivot level.
- A close on the 4—hour candle below USD 65.33 with the RSI at or below 39 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 68.46 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Unchanged on the technical this morning. We remain bearish with the MA on the RSI implying momentum is supported. We do have a momentum conflation, as the RSI is below 50 whilst the stochastic is overbought. Providing the RSI holds below 50, then we are vulnerable to a move lower; above 50, the stochastic is considered as less relevant. As highlighted previously, we maintain our view that upside moves should be considered as countertrend, whilst for downside continuation we need to close and hold below the USD 65.01 level.