

## Brent Dec 25 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	65.27	R1	66.15	Stochastic overbought
S2	64.53	R2	66.58	
S3	64.00	R3	67.38	

### Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is at 50 (50)
- Stochastic is overbought
- Price is above the daily point USD 65.27
- Unchanged on the technical yesterday. We remained bearish with the MA on the RSI implying momentum was supported. We noted that we had a momentum conflation, as the RSI is below 50 whilst the stochastic was overbought. Providing the RSI held below 50, then we would be vulnerable to a move lower; above 50, the stochastic would be considered as less relevant. As highlighted previously, we maintained 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.
- The futures traded to a low of USD 64.53 yesterday before reverting back to the mornings levels into the close. Price is seeing light bid support this morning, meaning we are above the 8-21 period EMA's whilst the RSI is neutral 50, intraday price and momentum are aligned to the buyside.
- A close on the 4—hour candle below USD 65.27 with the RSI at or below 44.5 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.
- Technically bearish, the MA on the RSI implies that momentum is supported. Elliott wave analysis continues to suggest that upside moves should be considered as countertrend, making USD 68.46 the key resistance to follow. Above this level the probability of the futures trading to a new high will start to decrease. We do have two intraday rejection candles (highlighted) that imply there is an underlying intraday support forming; however, price is now testing the weekly pivot level (USD 66.15) which has the potential to act as a resistance. A daily close above this level will warn that the Fibonacci resistance zone could be tested; conversely, if rejected, market sellers will look to test the USD 65.01 level. Although there are signs of support in the market, we have a note of caution on upside moves whilst below USD 66.15.