

Brent Dec 25 Morning Technical Comment – 240 Min



| Support | Resistance | Current Price | Bull | Bear |
|---------|------------|---------------|------|-----------------------|
| S1 | R1 | 65.91 | | Stochastic overbought |
| S2 | R2 | | | |
| S3 | R3 | | | |

Synopsis—Intraday

Chart source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is below 50 (48)
- Stochastic is overbought
- Price is below the daily point USD 65.18
- Technically bearish yesterday, the MA on the RSI implied that momentum was supported. Elliott wave analysis continued 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 would start to decrease. We highlighted two intraday rejection candles that implied that there was an underlying intraday support forming; however, price was testing the weekly pivot level (USD 66.15) which had the potential to act as a resistance. A daily close above this level would warn that the Fibonacci resistance zone could be tested; conversely, if rejected, market sellers would look to test the USD 65.01 level. Although there were signs of support in the market, we had a note of caution on upside moves whilst below USD 66.15.
- The futures show a daily close at USD 66.25; however, intraday price action shows the last trade was at USD 66.08. Market signals conflict around the weekly pivot level. price is slightly lower this morning. We are between the 8-21 period EMA's supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4—hour candle below USD 65.18 with the RSI at or below 47.5.5 will mean price and momentum are aligned to the sell side; likewise, a close above this level with the RSI at or above 52 will mean it is aligned to the buy 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 upside moves considered as countertrend. A close above the weekly pivot level (USD 66.15) will imply buy side pressure is increasing, whilst a close above the 200-period MA (USD 67.22) will warn that the USD 68.46 resistance could come under pressure. Above the level the probability of the futures trading to a new low will start to decrease. Conversely, failure to close above the weekly pivot level, or a rejection of the 200-period MA will leave support levels vulnerable.