FIS

Brent Intraday Morning Technical

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Brent Dec 25 Morning Technical Comment – 240 Min

Support		Resistance		Current Price	Bull	Bear
S1	61.15	R1	62,51	62.34		RSI below 50
S2	60.38	R2	63.44			
S3	59.42	R3	64.04			

Chart source Bloomberg

Synopsis—Intraday

- Price is below the 8-21 period EMA's
- RSI is below 50 (36)
- Stochastic is below 50
- Price is below the daily point USD 62.51
- Technically bearish yesterday, the MA on the RSI implied that momentum remained weak. The new low means that the futures were in divergence, warning we could see a momentum slowdown, this needed to be monitored. However, we noted that we had seen a wave extension to the downside, suggesting upside moves should still be considered as countertrend, making USD 64.86 the key resistance to follow. Above this level the probability of the futures trading to a new low would start to decrease.
- The futures traded to a low of USD 61.50 before finding bid support on the divergence. We remain below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4—hour candle above USD 62.51 with the RSI at or above 39.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 64.85 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Unchchanged on the technical today, we remain cautious on downside breakouts below USD 61.50, as the divergence suggests that they could struggle to hold. However, due to the bearish Elliott wave extension to the downisde, we continue to be cautious on upside moves, as wave analysis suggests they could be countertrend. Upside moves above USD 64.85 will mean that the probability of the futures trading to a new low will start to decrease.