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	63.44	62.20		RSI below 50
S2	60.38	R2	64.04			
S3	59.42	R3	64.85			

Chart source Bloomberg

Synopsis—Intraday

- Price is below the 8-21 period EMA's
- RSI is below 50 (38)
- Stochastic is below 50
- Price is on/below the daily point USD 62.25
- Unchanged on the technical yesterday, we remained cautious on downside breakouts below USD 61.50, as the divergence suggested that they could struggle to hold. However, due to the bearish Elliott wave extension to the downside, we continue to be cautious on upside moves, as wave analysis suggested they could be countertrend. Upside moves above USD 64.85 would mean that the probability of the futures trading to a new low would start to decrease.
- Having traded to a high of USD 63.04 the futures are coming back under pressure this morning. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the buyside, as the previous candle closed above the daily pivot level.
- A close on the 4—hour candle below USD 62.25 with the RSI at or below 34.5.5 will mean price and momentum are aligned to the sell side. 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.
- Technically bearish, our Elliott wave analysis suggests the USD 61.50 support could be tested and broken. Below this level the futures will be in divergence with the RSI, not a buy signal, it is a warning that we could see a momentum slowdown, which will need to be monitored. Whilst above the USD 61.50 fractal low, upside moves should be considered as countertrend.