



Brent Intraday Morning Technical

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Brent Dec 25 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	60.88	R1	62.52	61.52		RSI below 50
S2	60.38	R2	63.32			
S3	59.42	R3	64.36			

Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is below 50 (44)
- Stochastic is at 50
- Price is above the daily point USD 60.88
- Technically bearish yesterday, the futures were in divergence with the RSI. Not a sell signal it warned that we could see a momentum slow-down, meaning resistance levels could come under pressure, making USD 64.39 the key near-term level to follow. Above this level the probability of the futures trading to a new low within this phase of the cycle would start to decrease. However, the downside move had created a higher timeframe wave extension, meaning upside moves were still considered as countertrend whilst below the USD 67.14 level. If broken, the integrity of the higher timeframe bearish wave cycle would be brought into question. We are cautious on downside moves at those levels due to the divergence in play.
- The futures sold to a low of USD 60.07 before moving higher on the divergence. We are above the 8-21 period EMA's supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4—hour candle below USD 60.88 with the RSI at or below 34 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 67.12 would leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Unchanged on the technical today, we remain bearish with price now moving higher on the positive divergence with the RSI. Upside moves above USD 64.36 will mean the probability of price trading to a new low within this phase of the cycle will start to decrease. However, as highlighted previously, we have seen a wave extension to the downside, meaning upside moves should be considered as countertrend whilst below the USD 67.12 resistance. If broken, the probability of the higher timeframe wave cycle failing will start to decrease.

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