FIS

Brent Intraday Morning Technical

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

Brent Dec 25 Morning Technical Comment – 240 Min

Support		Resistance		Current Price	Bull	Bear
S1	64.21	R1	66.04	65.32	RSI above 50	
S2	63.42	R2	67.12			
S3	62.35	R3	68.47			

Chart source Bloomberg

Synopsis—Intraday

- Price is between the 8-21 period EMA's
- RSI is above 50 (58)
- Stochastic is above 50
- Price is below the daily point USD 66.04
- Unchanged on the technical last week, we remained bearish with price now moving higher on the positive divergence with the RSI. Upside moves above USD 64.36 would 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 had 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 would start to increase.
- The futures traded to a high of USD 66.78 before entering a corrective phase. We are between the 8-21 period EMA's supported by the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4—hour candle above USD 66.04 with the RSI at or above 70.5 will mean price and momentum are aligned to the buyside. 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.
- Bullish based on price, the futures are selling lower on a minor negative divergence, whilst the MA on the RSI implies that momentum is weak. We are in the process of rejecting the USD 67.12 resistance, warning support levels could come under pressure in the near-term. However, the RSI and price have both made a new high, implying intraday downside moves could be countertrend, making USD 62.35 the key support to follow. If broken, then the USD 60.07 support could be tested and broken; conversely, if support holds, then resistance levels could still be tested. This is not a clean technical, the upside rejection warns that we could be following the larger bearish Elliott wave cycle; whilst the RSI implies the USD 67.12 resistance remains vulnerable, meaning we have a neutral bias.