Brent Intraday Morning Technical

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Brent Dec 25 Morning Technical Comment – 240 Min

Support		Resistance		Current Price	Bull	Bear
S1	64.21	R1	64.74	64.57		
S2	63.42	R2	65.18			
S3	62.35	R3	67.12			

Chart source Bloomberg

Synopsis—Intraday

- Price is below the 8-21 period EMA's
- RSI is at 50 (50)
- Stochastic is below 50
- Price is below the daily point USD 64.74
- We remained bullish but in a corrective phase yesterday with the MA on the RSI implying that momentum was weak. As highlighted previously, the upside rejection warned that we could sell lower; however, the RSI high alongside a pullback on low volume meant that the technical implied that support levels could hold. A close that held above the intraday 200-period MA (USD 65.47), would warn that the USD 67.12 resistance could be tested and broken; if it was, then the probability of the futures trading to a new low would start to decrease. Conversely, a move below the USD 62.35 support would indicate sell side pressure was increasing, leaving the USD 60.07 fractal low vulnerable. We continue to be cautious on moves lower.
- The futures traded up to but failed to close and hold above the intraday 200-period MA (USD 65.18) A small pullback this morning means price is below the 8-21 period EMA's with the RSI neutral at 50, intraday price and momentum are conflicting.
- A close on the 4—hour candle above USD 64.72 with the RSI at or above 53 will mean price and momentum are aligned to the buyside. Likewise, a close below this level with the RSI at or below 48.5 will mean it is 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 this morning, we remain bullish but in a corrective phase. In theory, wave analysis suggests we should see another move lower; however, the technical implies otherwise, as the RSI high and low volume on the pullback suggest this downside move could be countertrend. For upside continuation, we need to close and hold above the 200-period MA. Conversely. Below USD 62.35 the USD 60.07 fractal low becomes vulnerable.