FIS

# Brent Intraday Morning Technical

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## *Brent Dec 25 Morning Technical Comment – 240 Min*


| Support | | Resistance | | Current Price | Bull | Bear |
|---|---|---|---|---|---|---|
| S1 | 63.42 | R1 | 64.85 | 63.96 | | RSI below 50 |
| S2 | 62.35 | R2 | 65.46 | | | |
| S3 | 61.50 | R3 | 66.78 | | | |

### Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (63)
- Stochastic is above 50
- Price is below the daily point USD 64.85
- Technically bearish yesterday, the futures were moving higher in a small rising channel, meaning we had a potential bear flag forming, whilst the Elliott wave cycle warned that upside moves should be considered as countertrend. Countering this, the intraday RSI high and rising daily volume suggested that support levels should hold if tested, meaning the technical had a neutral bias. Due to the high volume dominant bull candle we are cautious on downside moves, unless we saw a daily close below the low of this candle (USD 63.86); if we did, it would indicate that buyside pressure was weakening, warning the USD 62.35 Fibonacci support could be tested and broken. This was a key intraday support, below this level it would warn that the USD 60.07 fractal low could come under pressure. If we held above USD 62.35 it would imply that there was an underlying support in the market. USD 63.86 was the key near-term level to follow, if it held then resistance remained vulnerable.
- The futures have broken the bear flag to the downside, meaning price is 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 64.85 with the RSI at or above 53.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 67.12 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the flag break to the downside is warning that support levels are vulnerable, this is in line with our Elliott wave analysis. However, as highlighted previously, the RSI made a new high alongside support , whilst we had a high volume dominant bull candle on the daily chart, meaning we remain cautious on downside moves unless we see a daily close below USD 63.86. If we do, then we have a potential near-term downside target at USD 62.68, as this is the 100% Fibonacci projection level of a 3-wave patten lower (not shown due to a Fibonacci overlap), whilst key support is at USD 62.35. This would suggest caution if we hit this support zone, as it could attract buying support around this area. USD 63.86 is the ley support to follow at this point.