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	64.63	R1	65.05	64.74	RSI above 50	
S2	64.35	R2	65.72			
S3	63.42	R3	66.78			

Chart source Bloomberg

Synopsis—Intraday

- Price is above the 8-21 period EMA's
- RSI is above 50 (51)
- Stochastic is below 50
- Price is above the daily point USD 64.35
- Technically bearish yesterday, the flag break to the downside warned that support levels were vulnerable, this was in line with our Elliott wave analysis. However, as highlighted previously, the RSI had 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 saw a daily close below USD 63.86. If we did, then we had a potential near-term downside target at USD 62.68, as this is the 100% Fibonacci projection level of a 3-wave pattern lower (not shown due to a Fibonacci overlap), whilst key support was at USD 62.35. This suggested caution if we hit this support zone, as it could attract buying support around that area. USD 63.86 was the ley support to follow at this point.
- The futures sold to a low of USD 63.82 but failed to close below the USD 63.86 level, resulting in price seeing light bid support/ We are above the 8-21 period EMA's with the RSI near-neutral at 51, intraday price and momentum are aligned to the buyside.
- A close on the 4—hour candle below USD 64.35 with the RSI at or below 47.5 will mean price and momentum are aligned to the sell side. 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 yesterday, the futures are trading back above the near-term lower trend line (USD 64.63), if we close and hold above it, then the technical will be back in the consolidation zone, signaling near-term price action is neutral. A close above the intraday 200-period MA will warn that the upper channel resistance at USD 65.72 could come under pressure; if broken, it will imply buyside pressure is increasing. Failure to hold above the USD 64.63 level will leave support levels vulnerable. Price is entering neutral territory, if it hold above USD 64.63 it will indicate that sell side momentum is starting to ease. USD 63.86 remains the ley support to follow at this point.