

Brent Jan 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	63.77	R1	64.57	64.08		RSI below 50
S2	63.42	R2	65.46			
S3	62.35	R3	66.78			

Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is below 50 (49)
- Stochastic is above 50
- Price is above the daily point USD 63.77
- Technically bearish on the previous report, the close below the low of the high volume dominant bear candle (USD 63.86) on the daily timeframe meant that the USD 63.42 and USD 62.35 support levels were starting to look vulnerable. Below USD 62.35 the USD 60.07 fractal low would become vulnerable. A close above the trend resistance line (USD 64.77) would mean price action has a neutral bias. The flag break now had a bearish daily close, warning support could come under pressure.
- The futures traded to a low of USD 62.84 before finding light bid support. We are above the 8-21 period EMA's with the RSI near-neutral at 49, intraday price and momentum are aligned to the buyside.
- A close on the 4—hour candle below USD 63.77 with the RSI at or below 43.5 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, we noted in the weekly report on Friday that we have a 3-wave pattern lower, whilst the 3rd wave consisted of 5-waves on the lower timeframe. This suggests that the lower timeframe cycle has potentially completed, making USD 62.84 the key support to follow, and USD 64.57 the key resistance. Below USD 62.84 will signal that there is a larger bear-cycle in play, warning the USD 62.35 and USD 60.07 support levels could be tested and broken. Conversely, above USD 64.57 will indicate that the probability of the futures trading to a new low will start to decrease. We have two Doji crosses on the daily timeframe, indicating the market suffering from indecision at this point.