

Brent Jan 26 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	64.01	RSI above 50	
S2	R2			
S3	R3			

Synopsis—Intraday

Chart source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is above 50 (51)
- Stochastic is oversold
- Price is below the daily point USD 64.20
- Technically bearish on Thursday, the MA on the RSI implied that momentum was weak. The move below USD 62.84 meant that we were seeing a downside wave extension, despite the move above USD 64.57 previously. We noted that this wave pattern would either be another a, b, c pattern, creating a larger W, X, Y corrective pattern; however, it could also have meant that the initial C on the 06/11 had become 1 of a higher timeframe wave C, indicating a larger 5-wave pattern lower. At that point, it was too early to tell; however, in either pattern, upside moves should be considered as countertrend, as support levels were now vulnerable.
- As noted in the weekly technical on Friday, the futures had traded above the USD 64.30 resistance after the Ukraine attacked Russian port infrastructure. Price is between the 8-21 period EMA's with the RSI near neutral at 51, intraday price and momentum are aligned to the sell side.
- A close on the 4—hour candle above USD 64.20 with the RSI at or above 54 will mean price and momentum are aligned to the buyside.
- Technically bearish with a neutral bias, the probability of the futures trading to a new low have started to decrease. However, as noted in the weekly technical on Friday, due to the futures taking out 2 key support and resistance levels in three days, we had a neutral bias, as the intraday wave patterns were signaling a lack of structure. This is supported by the RSI which is near-neutral at 50, whilst the MA on the RSI is flat. We also highlight that price is trading around the 200-period MA (USD 63.98). If we hold above the 200-period MA, then the USD 66.78 fractal high will become vulnerable, if broken, the technical will be in bullish territory. Conversely, failure to hold above the average will warn that the we could see the W, X, Y pattern coming into play.