FIS

Brent Intraday Morning Technical

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

Brent Jan 26 Morning Technical Comment – 240 Min

Support		Resistance		Current Price	Bull	Bear
S1	64.54	R1	65.31	64.76	RSI above 50	
S2	62.34	R2	67.12			
S3	61.50	R3	68.47			

Chart source Bloomberg

Synopsis—Intraday

- Price is above the 8-21 period EMA's
- RSI is above 50 (56)
- Stochastic is above 50
- Price is above the daily point USD 64.54
- Technically bearish with a neutral bias yesterday, the probability of the futures trading to a new low had 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 was supported by the RSI which was near-neutral at 50, whilst the MA on the RSI was flat. We also highlighted that price was trading around the 200-period MA (USD 63.98). If we held above the 200-period MA, then the USD 66.78 fractal high would become vulnerable, if broken, the technical would be in bullish territory. Conversely, failure to hold above the average would warn that the we could see the W, X, Y pattern coming into play.
- The futures consolidated around the 200-period MA for most of the session yesterday (USD 63.98); however, we did see bid support into the US close. We noted on the close report yesterday that the futures were in a falling channel, meaning we had a noted of caution on upside moves whilst below the resistance line (USD 64.66). We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4—hour candle below USD 64.54 with the RSI at or below 51 will mean price and momentum are aligned to the sell side.
- Bearish with a neutral bias, the MA on the RSI implies that we have light momentum support. The futures are trading just above the channel resistance line (USD 64.66), if we hold above it, then market bulls will look to test the USD 65.31 fractal resistance. Above this level the technical will be in bullish territory. Conversely, failure to hold above the channel resistance line will warn that the futures could revert back to the intraday 200-period MA (USD 63.98); if we do, price action will be considered as neutral. Signs of bull support in the market; however, we are at an inflection point. For upside continuation, market bulls will need to keep price above the resistance line.