FIS

Brent Intraday Morning Technical

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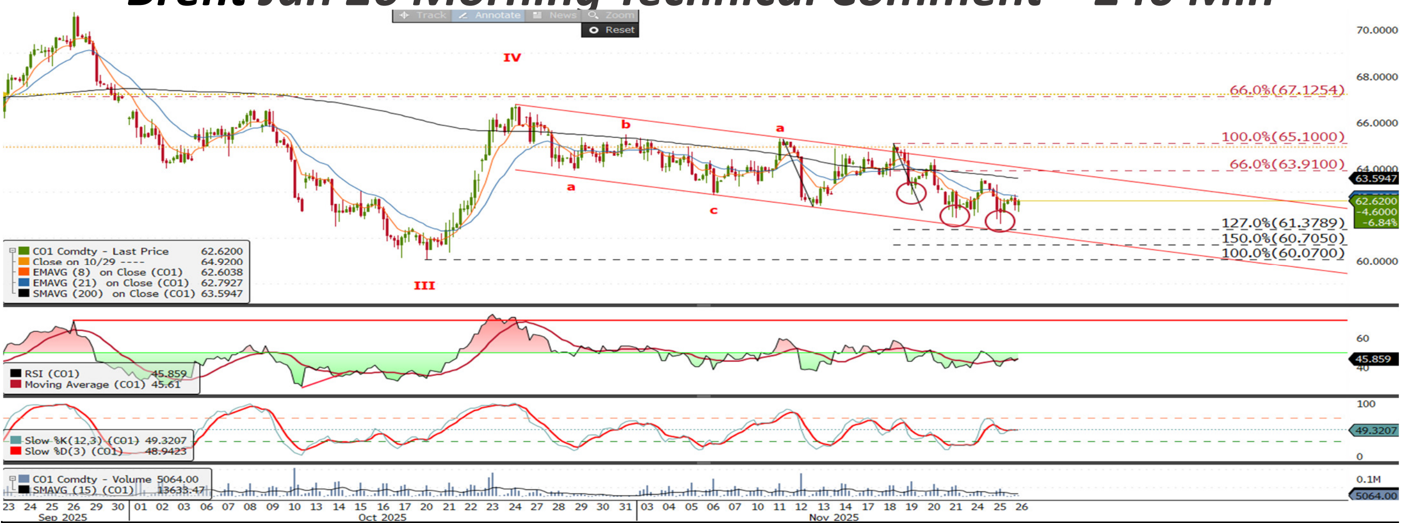
Brent Jan 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	61.37	R1	63.91	62.62		RSI below 50
S2	61.20	R2	64.04			
S3	60.70	R3	65.10			

Chart source Bloomberg

Synopsis—Intraday

- Price is below the 8-21 period EMA’s
- RSI is below 50 (43)
- Stochastic is below 50
- Price is above the daily point USD 62.48
- Technically bearish yesterday, the MA on the RSI implied that we had light momentum support. Price had moved higher on the positive divergence with the RSI, warning the USD 64.00 resistance was vulnerable. If broken, then the probability of the futures trading to a new low would start to decrease. Conversely, market buyer’s would need to be cautious if the resistance was rejected, as it would warn that the corrective phase is becoming more complex. As highlighted previously, for downside continuation, the futures would need to close and hold below the channel support (USD 61.32) with the divergence failing. Resistance was vulnerable due to the divergence and momentum support.
- The futures traded to a low of USD 61.60 on the news that the US/Ukraine had agreed on a peace proposal with Russia, however, the move lower has failed to hold. We remain below all key moving averages with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4—hour candle below USD 62.48 with the RSI at or below 43will mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above 47.5 will mean it is aligned to the buyside. Upside moves that fail at or below USD 63.91 will leave the futures vulnerable to further tests to the downside, above this level near-term price action will have a neutral bias. However, the longer-term Elliott wave cycle remains bearish below USD 67.12.
- Technically bearish, the futures remain in the falling channel. However, we have three consecutive lows in close succession, whilst the RSI is in divergence. Both price and momentum are now showing signs of exhaustion, meaning we are cautious on downside moves at these levels, as they could struggle to hold.