



Brent Intraday Morning Technical

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Brent Jan 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	62.81	R1	63.57	63.25	RSI above 50	Stochastic overbought
S2	61.60	R2	63.92			
S3	61.37	R3	65.10			

Synopsis—Intraday Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is below 50 (51)
- Stochastic is overbought
- Price is above the daily point USD 62.81
- Technically bearish yesterday, the futures remained in the falling channel. However, we noted that we had three consecutive lows in close succession, whilst the RSI was in divergence. Both price and momentum were now showing signs of exhaustion, meaning we were cautious on downside moves at those levels, as they could struggle to hold.
- The futures continue to see light bid support with price now above the 8-21 period EMA's whilst the RSI is near neutral at 51, intraday price and momentum are aligned to the buy side.
- A close on the 4—hour candle below USD 62.81 with the RSI at or below 44 will mean price and momentum are aligned to the sell side. Up-side 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 MA on the RSI is now showing signs of light momentum support. As highlighted yesterday, price was moving higher on a positive divergence with the RSI whilst we had three consecutive lows, warning the downside move was showing signs of exhaustion, meaning we continue to be cautious on downside moves at this point. For upside continuation, we need to see a close that holds above the upper channel resistance (USD 63.91). If we do, market bulls will look to target the USD 67.12 Fibonacci resistance.

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