FIS

Brent Intraday Morning Technical

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

Brent July 26 Morning Technical Comment – 240 Min

Support		Resistance		Current Price	Bull	Bear
S1	104.34	R1	108.99	106.26	RSI above 50	Stochastic overbought
S2	103.83	R2	111.33			
S3	96.03	R3	115.30			

Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (56)
- Stochastic is overbought
- Price is above the daily point USD 104.34
- Technical outlook Previously: Neutral
- We remained cautious on downside moves yesterday due to price moving higher on the positive reversal pattern. However, we were trading on the 200-period MA at USD 103.79, implying a neutral bias. I said neutral bias, as the market has a tendency to revert back to the average when there was a lack of clarity.
- The futures have closed above the 200-period MA, resulting in a small move higher. 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 104.34 with the RSI at or below 45 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 108.99 will warn of further downside within the corrective phase.
- Technical outlook: buyside pressure increasing
- The futures have closed and are currently holding above the 200-period MA at USD 103.83, we also note that the RSI moving average implies momentum is supported. The RSI is moving higher while above 50, meaning we have positive velocity and positive acceleration. Both price and momentum point to an increase in buyside pressure, warning the USD 108.99 resistance is becoming vulnerable. If broken, then the probability of the futures trading to a new low will begin to decrease. Momentum support means we are cautious on downside moves at this point.

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