



Brent Intraday Morning Technical

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Brent Sep 26 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	70.91	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis—Intraday

Chart source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (34)
- Stochastic is oversold
- Price is below the daily point USD 71.92
- Technical outlook Previously: Neutral
- Support vulnerable
- We noted yesterday that from a technical perspective we maintained a neutral view, as a positive divergence was countered by a negative reversal pattern. Due to the negative reversal pattern the futures would need to trade above the USD 75.84 fractal resistance to signal that the positive divergence was being respected. The RSI was testing trend support (highlighted), a close and hold below the support line would warn that the USD 71.36 fractal low could be tested and broken; however, downside breakouts would create further positive divergence. Support was vulnerable while below USD 75.84, but the technical remained neutral.
- The futures have traded to a new low on the negative reversal pattern. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above 71.92 with the RSI at or above 39.5 would mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 89.44 would leave the futures vulnerable to further tests to the downside, above this level the technical would have a neutral bias.
- Technical outlook: Caution on downside moves
- The move to a new low on the negative reversal pattern has created a negative divergence with the RSI, implying caution on downside moves at this point; however, it is important to note that the divergence is a warning, not a buy signal, meaning bullish confirmation from price will be needed. Upside moves above the USD 73.64 fractal resistance will indicate that buyside pressure is on the increase, confirming the divergence is being respected. While below USD 73.64 the intraday technical remains in a bearish trending environment.

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