



Brent Intraday Morning Technical

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Brent Sep 26 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	74.86	R1	78.94		
S2	73.64	R2	81.25	RSI above 50	Stochgastic overbought
S3	70.14	R3	84.64		

Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (81)
- Stochastic is overbought
- Price is above the daily point USD 74.86
- Technical outlook Previously: Neutral
- Near-term price action was considered as neutral yesterday, as the negative reversal pattern was offset by the positive divergence. The divergence warranted caution on downside breakouts below USD 70.14, as it would warn that sell side momentum could potentially be slowing. A pullback above the USD 73.64 level would mean that the negative reversal pattern has failed, signaling an increase in buy-side pressure.
- We noted on the close report last night that the move above the USD 73.64 signaled that buy-side pressure was increasing, as the negative reversal pattern had failed. This has been followed by further moves higher this morning. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy-side.
- A close on the 4-hour candle below 74.86 with the RSI at or below 59 would mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 89.23 would leave the futures vulnerable to further tests to the downside, above this level the technical would have a neutral bias.
- Technical outlook: buy-side pressure increasing
- The positive reversal failure means both price and the RSI are making new highs, signaling bullish momentum confirmation, the RSI move above 70 also indicates that momentum is supported. Although near-term price action has turned to the buy-side, the longer-term Elliott wave cycle warns that upside moves should still be considered as countertrend, providing the USD 89.23 resistance is not breached; if it is, then the probability of the futures trading to a new low will start to decrease.

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