FIS

Brent Intraday Morning Technical

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Brent Sep 26 Morning Technical Comment – 240 Min

Support		Resistance		Current Price	Bull	Bear
S1	76.73	R1	81.25	78.82	RSI above 50	
S2	75.99	R2	83.22			
S3	73.66	R3	84.64			

Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (59)
- Stochastic is below 50
- Price is below the daily point USD 75.99
- Technical outlook Previously: Bullish throwback
- We noted previously that the upside move had volume support while the RSI had moved above 70; the corrective move had resulted in the RSI breaking support, meaning we have a positive reversal pattern in play. This suggests that caution was warranted on downside moves while above USD 75.44, as the move lower looks to be countertrend. Below USD 75.44 will signal bearish momentum confirmation, warning that the USD 73.66 Fibonacci support could be tested. We highlight this as the key level on the technical, if breached, then the probability of price trading to a new high would begin to decrease. In the near-term, we are cautious on intraday moves lower; The broader technical, based on Elliott wave analysis was still considered as bearish below USD 89.23. However, based on the rhetoric coming out of the U.S., I would be cautious on putting too much weight on the wave cycle unless the story changed again.
- The futures sold to a low of USD 75.22 before gapping higher on the open this morning. We are above the 8-21 period EMA's supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 75.99 with the RSI at or below 52.5 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: Buyside pressure in creasing.
- US and Iran Trade Fresh Strikes, Dispute Whether Hormuz Is Open (Bloomberg). To be clear, if Iran say the Strait is close, it is closed; they are the one shooting at ships. Price is seeing bid support on the rising escalations, this in line with the lower timeframe Elliott wave cycle; however, the broader trend remains bearish below USD 89.23 and neutral above. Although we are seeing an increase in buyside pressure, our focus is purely technical, meaning caution is warranted on breakouts above USD 80.59, as the technical will be in divergence with the RSI.