FIS

Brent Intraday Morning Technical

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Brent Sep 26 Morning Technical Comment – 240 Min

Support		Resistance		Current Price	Bull	Bear
S1	82.82	R1	89.23	85.42	RSI above 50	
S2	81.49	R2	92.85			
S3	79.73	R3	98.99			

Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (72)
- Stochastic is above 50
- Price is below the daily point USD 81.49
- Technical outlook Previously: Buyside pressure in creasing.
- US and Iran Trade Fresh Strikes, Dispute Whether Hormuz Is Open (Bloomberg). We were clear yesterday that if Iran said the Strait was closed, it was closed, as they are the one shooting at ships. Price was seeing bid support on the rising escalations, this was in line with the lower timeframe Elliott wave cycle; however, the broader trend remained bearish below USD 89.23 and neutral above. Although we are seeing an increase in buyside pressure, our focus was purely technical, meaning caution is warranted on breakouts above USD 80.59, as the technical would be in divergence with the RSI.
- The futures saw a high volume breakout to the upside yesterday, 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 USD 81.49 with the RSI at or below 57 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 increasing.
- A high volume dominant bull candle yesterday has resulted in the futures reclaiming the intraday 200-period MA at USD 82.82, and the daily 200-period MA at USD 79.22. We are in divergence with the RSI; however, it is important to note that the divergence is a warning, we would need to see bearish price action/signals, to confirm it is being respected. In theory, our wave analysis implies upside moves should be considered as countertrend, providing the USD 89.23 resistance is not breached. The reality, if the strait stays closed,, then market bulls will target the USD 89.323 resistance. Taking the wave cycle out of the equation, price action and volume support are bullish, the divergence will need to be monitored.