FIS

Brent Intraday Morning Technical

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Brent Sep 26 Morning Technical Comment – 240 Min

Support		Resistance		Current Price	Bull	Bear
S1	81.46	R1	84.98	84.59	RSI above 50	Stochastic overbought
S2	80.80	R2	87.40			
S3	79.42	R3	90.67			

Synopsis—Intraday

Chart source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is above 50 (60)
- Stochastic is overbought
- Price is below the daily point USD 84.98
- Technical outlook Previously: Profit taking?
- We noted yesterday that the 100% Fibonacci projection of the initial wave was at USD 85.99. We were seeing high volumes around this level, suggesting we could be looking at some profit taking in the market, as this projection is also known as an A– B = C-D pattern, making it a natural upside target to close existing longs. The RSI remains in divergence, but had once again breached the 70 level while price was holding above the intraday 200-period MA at USD 82.50, implying the technical remained supported. Market bulls should act with caution on a close and hold below the longer-term average, while a beach in the USD 75.90 support would reduce the probability of price trading to a new high. Conversely, a close and hold above the USD 85.99 level would warn of upside continuation.
- Sideways action in the futures, we are now between the 8-21 period EMA's supported by the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 84.98 with the RSI at or above 69 would mean price and momentum are aligned to the buyside. 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: Supported
- The futures remain supported above the intraday 200-period MA at USD 81.46 and the daily 200-period MA at USD 79.42. Throwbacks that close and hold below the support zone would signal an increase in sell side pressure, warning the USD 75.90 support could be tested; if broken, then the probability of price trading to a new high would begin to decrease, this would further weaken the technical. While above the support zone, resistance levels should be considered to be vulnerable.