Brent Intraday Morning Technical

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Brent Sep 26 Morning Technical Comment – 240 Min

Support		Resistance		Current Price	Bull	Bear
S1	86.73	R1	92.85	90.73	RSI above 50	Stochastic overbought
S2	83.20	R2	94.05			
S3	81.72	R3	96.97			

Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (76)
- Stochastic is overbought
- Price is below the daily point USD 86.73
- Technical outlook Previously: Supported
- We noted previously that the futures remained supported above the intraday 200-period MA at USD 81.46 and the daily 200-period MA at USD 79.42. Throwbacks that closed and held 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.
- The futures have held above the 200-period MA, resulting in the USD 89.23 resistance being tested and broken. 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 86.73 with the RSI at or below 63.5 would mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 77.21 would support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Supported
- The upside move above the USD 89.23 resistance means that the probability of price trading to a new low has started to decrease, indicating the upside move continues to see momentum support. Lower timeframe Elliott wave analysis suggests that we have a potential upside target at USD 94.05 for this phase of the cycle. However, market longs should act with caution on throwbacks that close below the low of the last dominant bull candle at USD 86.62, as it will signal sell side pressure is increasing, warning we could be entering a higher timeframe corrective phase. We identify USD 77.21 as a key support to follow, as throwbacks that hold at or above the level would suggest that there is a larger bullish Elliott wave cycle in play.