Brent Intraday Morning Technical

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Brent Sep 26 Morning Technical Comment – 240 Min

Support		Resistance		Current Price	Bull	Bear
S1	90.29	R1	96.97	94.42	RSI above 50	Stochastic overbought
S2	87.26	R2	100.69			
S3	85.26	R3	105.37			

Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (77)
- Stochastic is overbought
- Price is above the daily point USD 90.29
- Technical outlook Previously: Supported
- We noted yesterday that we had a 5-wave pattern higher with Fibonacci projection levels signaling that we could trade as high as USD 94.05 within this phase of the cycle. However, if we closed below the low of the last dominant bull candle at USD 86.62 it would warn that sell side pressure was increasing, indicating we could be in the early stages of a corrective phase. Throwbacks that held at or above USD 77.21 would suggest that there is a larger, bullish Elliott wave cycle coming into play.
- The futures traded to a high of USD 94.76 on the open this morning, we remain 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 90.29 with the RSI at or below 65 would mean price and momentum are aligned to the sell side. Down-side moves that hold at or above USD 78.35 would support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Caution on upside moves
- Technically we remain in a bullish trending environment with price above all key moving averages. However, we now look to be on a 5th wave of a wave 5, having traded above our upside target at USD 94.05, meaning price is becoming vulnerable to a move lower. Throwbacks that close below the low of the last doming bull candle at USD 91.86 will warn that price is potentially entering a corrective phase, making USD 87.20 the key near-term support to follow. If we hold above the USD 87.20 level, it will leave the Elliott wave cycle open to a bullish 5th wave extension, below this level market sellers will look to test the USD 83.32 fractal low, as this is the base of the higher timeframe Elliott wave 4.