Brent Intraday Morning Technical

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

Brent Sep 26 Morning Technical Comment – 240 Min

Support		Resistance		Current Price	Bull	Bear
S1	93.67	R1	96.97	96.83	RSI above 50	Stochastic overbought
S2	88.76	R2	100.69			
S3	86.17	R3	105.37			

Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (76)
- Stochastic is overbought
- Price is above the daily point USD 93.67
- Technical outlook Previously: Caution on upside moves
- Technically we remained in a bullish trending environment yesterday with price above all key moving averages. However, we looked to be on a 5th wave of a wave 5, having traded above our upside target at USD 94.05, meaning price was becoming vulnerable to a move lower. Throw-backs that closed below the low of the last dominant bull candle at USD 91.86 would warn that price was potentially entering a corrective phase, making USD 87.20 the key near-term support to follow. If we held above the USD 87.20 level, it would leave the Elliott wave cycle open to a bullish 5th wave extension, below this level market sellers would look to test the USD 83.32 fractal low, as this was the base of the higher timeframe Elliott wave 4.
- A pullback has failed to materialize, resulting in price trading to new highs, 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 93.67 with the RSI at or below 69.5 would mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 82.74 would support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Downside moves considered as countertrend
- The upside move to a new high is warning that we could be looking at a higher timeframe bullish Elliott wave extension. At this point the extension has not quite confirmed, but it is very marginal, suggesting we will, as the Houthis are now targeting tankers in the Red Sea. A wave extension will signal that throwbacks should be considered as countertrend, providing we hold above the USD 82.74 Fibonacci support. There is a very minor divergence in play that warns buyside momentum could slow down; however, the divergence is a condition, not a sell signal, meaning we will need to see bearish confirmation from price to confirm it is being respected.