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FIS

Brent Intraday Morning Technical

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Brent Oct 26 Morning Technical Comment – 240 Min

Support		Resistance		Current Price	Bull	Bear
S1	91.27	R1	93.87	92.12	RSI above 50	Stochastic overbought
S2	91.21	R2	96.88			
S3	86.92	R3	102.00			

Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (65)
- Stochastic is overbought
- Price is above the daily point USD 94,21
- Technical outlook Previously: Neutral
- We noted previously that price was moving higher having produced a 3-wave corrective phase, the RSI had positive velocity and positive acceleration. However, the pullback previously had breached the USD 84.32 support, meaning the probability of price trading to a new high had started to decrease. Market buyer's needed to see price breach the USD 93.87 resistance; failure to do so would leave support levels vulnerable.
- The futures continue to see bullish price action due to the positive momentum following the 3-wave pattern lower. 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 94.21 with the RSI at or below 60.5 would mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 93.87 will leave the futures vulnerable to further tests to the downside, above this level the technical will re-enter bullish territory.
- Technical outlook: Approaching inflection point
- Price remains supported with the futures producing an intraday support line; however, the new high on the open means we have a minor divergence with the RSI. This is a condition that warns we could see a momentum slowdown, it is not a sell signal. A close below the trend support line at USD 91.27 followed by price and momentum becoming aligned to the sell side would indicate intraday weakness. If however we trade above the USD 93.87 resistance, then the probability of the futures trading to a new low would begin to decrease. Technically we maintain more of a neutral view due to price approaching key resistance.