FIS

Brent Intraday Morning Technical

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Brent Oct 26 Morning Technical Comment – 240 Min

Support		Resistance		Current Price	Bull	Bear
S1	91.61	R1	93.87	93.16	RSI above 50	Stochastic overbought
S2	90.40	R2	96.88			
S3	87.49	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 91,21
- Technical outlook Previously: Approaching inflection point
- Price remained yesterday supported with the futures producing an intraday support line; however, the new high on the open meant that we had a minor divergence with the RSI. This was a condition that warned that we could see a momentum slowdown, it was 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 traded above the USD 93.87 resistance, then the probability of the futures trading to a new low would begin to decrease. Technically we maintained more of a neutral view due to price approaching key resistance.
- The futures continue to see bid support. We are above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 91.61 with the RSI at or below 61.5 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: Inflection point
- On the buyside, the upside move to a new high has resulted in the divergence failing, meaning we have positivize momentum confirmation, warning the USD 93.87 resistance could be tested and broken. If it is, then price will re-enter bullish territory, warning that the probability of the futures trading to a new low has started to decrease. However, price is currently at an inflection point as we are trading on the trend support line at USD 93.02. A close and hold back above the support line will further support a bull argument. Failure to reclaim the support line will flag as a warning to buyers that sellers are entering the market.