FIS Brent Intraday Morning Technical

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Brent Oct 26 Morning Technical Comment – 240 Min

Support		Resistance		Current Price	Bull	Bear
S1	90.40	R1	93.99	93.37	RSI above 50	
S2	88.44	R2	95.30			
S3	86.47	R3	97.77			

Synopsis—Intraday

Chart source Bloomberg

- Price is between the 10-50 period MA's
- RSI is above 50 (58)
- Stochastic is above 50
- Price is below the daily point USD 93.99
- Technical outlook Previously: Inflection point
- We noted on Thursday that the upside move to a new high had resulted in the divergence failing, meaning we had positivize momentum confirmation, warning the USD 93.87 resistance could be tested and broken. If it was, then price would re-enter bullish territory, warning that the probability of the futures trading to a new low had started to decrease. However, price was at an inflection point as we were trading on the trend support line at USD 93.02. A close and hold back above the support line would further support a bull argument. Failure to reclaim the support line would flag as a warning to buyers that sellers were entering the market.
- The futures have traded to a high of USD 94.86 before seeing a light throwback. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 93.99 with the RSI at or above 65.5 would mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 8.79 would support a bull argument, below this level the technical would re-enter bearish territory.
- Technical outlook: Resistance vulnerable
- The downside moves in the futures has resulted in the RSI breaking support, price has not. This is known as a positive reversal pattern, warning there is underlying support in the market, meaning resistance levels are considered as vulnerable at this point. Supporting a buyers argument is the RSI breach up 70; however, market buyer's will need to act with caution on moves below USD 90.40, as the bearish momentum confirmation will warn that Fibonacci support could come under pressure.