FIS

Brent Intraday Morning Technical

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

Brent Oct 26 Morning Technical Comment – 240 Min

Support		Resistance		Current Price	Bull	Bear
S1	90.40	R1	92.59	91.61		RSI below 50
S2	88.44	R2	94.83			
S3	86.47	R3	97.77			

Synopsis—Intraday

Chart source Bloomberg

- Price is between the 10-50 period SMA's (Simple Moving Average)
- RSI is below 50 (44)
- Stochastic is below 50
- Price is below the daily point USD 92.59
- Technical outlook Previously: Resistance vulnerable
- We noted yesterday that the downside moves in the futures had resulted in the RSI breaking support, price has not. This was known as a positive reversal pattern, warning there is underlying support in the market, meaning resistance levels were considered as vulnerable at this point. Supporting a buyers argument is the RSI breach above 70; however, market buyer's would need to act with caution on moves below USD 90.40, as the bearish momentum confirmation would warn that Fibonacci support could come under pressure.
- The futures have continued to sell lower, price remains between the 10-50-period SMA's with the RSI below 50, intraday price is aligned to the sell side.
- A close on the 4-hour candle above USD 92.59 with the RSI at or above 57.5 would mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 83.79 would support a bull argument, below this level the technical would re-enter bearish territory.
- Technical outlook: Supported
- The futures are selling lower on a minor negative divergence with the RSI; however, we continue to have a positive reversal pattern in play that warns resistance is still considered to be vulnerable; we also note that price is currently finding support on the 50-period SMA at USD 91.11. Downside moves below USD 90.40 would signal bearish momentum confirmation, as both price and the RSI would have made new lows, at this point there would be an increased risk that support could come under pressure. We continue to highlight USD 83.79 as a key support to follow, as throwbacks that hold at or above this level will warn that there is a larger, bullish Elliott wave cycle in play. If we hold the 50-period SMA and close back above the 10-period SMA it will indicate that we are seeing signs of buyside pressure, this would support the positive reversal pattern.