FIS

Brent Intraday Morning Technical

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

Brent Nov 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	90.49	R1	91.63	91.55	RSI above 50	Stochastic overbought
S2	90.35	R2	92.81			
S3	87.59	R3	94.83			

Synopsis—Intraday

Chart source Bloomberg

- Price is above the 10-50 period SMA's (Simple Moving Average)
- RSI is above 50 (61)
- Stochastic is overbought
- Price is above the daily point USD 90.35
- Technical outlook Previously: Supported
- We noted previously that the futures were selling lower on a minor negative divergence with the RSI; however, we continued to have a positive reversal pattern in play that warned resistance was still considered to be vulnerable; we also noted that price was 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 that 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 held 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 closed back above the 10-period SMA it would indicate that we are seeing signs of buyside pressure, this would support the positive reversal pattern.
- The futures traded below the USD 90.40 level resulting in price selling to a low at USD 84.56 before finding bid support. 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 90.35 with the RSI at or above 53 would mean price and momentum are aligned to the sell side. Down-side 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: buyside pressure increasing
- The breach above the USD 91.63 resistance indicates that the probability of price trading to a new low has started to decrease, implying buyside pressure is increasing. A close and hold below the trend support line at USD 90.49 would warn that the intraday technical is becoming vulnera-ble to a move lower. However, throwbacks that hold at or above USD 87.59 would support a near-term bull argument, implying the move higher is potentially bullish impulse; conversely, moves below USD 87.59 would suggest that sell side pressure is increasing.

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