FIS

Brent Intraday Morning Technical

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Brent Nov 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	95.33	R1	98.51	96.17	RSI above 50	
S2	93.16	R2	102.08			
S3	91.68	R3	106.58			

Synopsis—Intraday

Chart source Bloomberg

- Price is above the 10-50 period SMA's (Simple Moving Average)
- RSI is above 50 (56)
- Stochastic is above 50
- Price is above the daily point USD 95.33
- Technical outlook Previously: Downside moves considered as countertrend.
- We noted on Thursday that the futures had entered a corrective phase with the RSI breaking trend support, warning buyside momentum had started to weaken. However, for downside continuation, the futures would need to close and hold below the trend support line at USD 93.25. We identified USD 89.40 as the key level on the technical; throwbacks that held at or above this level would support a bull argument. Conversely, if broken, the probability of price trading to a new high would start to decrease.
- The futures held the trend support line resulting in price trading at new highs. We are seeing light selling pressure but price remains above the 10-period SMA with the RSI above 50, intraday price and momentum are aligned to the buyside, as the RSI was above its MA on the last candle close.
- A close on the 4-hour candle below USD 95.33 with the RSI at or below 60 would mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 89.67 would support a bull argument, below this level the technical would have a neutral bias.
- Technical outlook: Downside moves considered as countertrend
- The futures have traded at a new high, meaning we could have seen a lower timeframe Elliott wave extension, or we are looking at a flat correction, where the wave B has made a new high. Higher timeframe Elliott wave analysis does suggest that throwbacks should be considered as countertrend, providing we hold above the USD 89.67 support. Wave extension or flat correction? in either scenario the futures are divergent with the RSI rejecting the 60 level. The technical suggests that upside moves warrant caution in the near-term, as support levels are becoming vulnerable. A close and hold below the trend support line at USD 96.19 will signal sell side pressure is increasing.

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