FIS Brent Intraday Morning Technical

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Brent Nov 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	97.17	R1	99.26	98.69	RSI above 50	Stochastic overbought
S2	97.01	R2	100.70			
S3	95.07	R3	102.75			

Synopsis—Intraday

Chart source Bloomberg

- Price is above the 10-50 period SMA's (Simple Moving Average)
- RSI is above 50 (67)
- Stochastic is overbought
- Price is above the daily point USD 97.01
- Technical outlook Previously: Downside moves considered as countertrend
- We noted yesterday that the futures had traded at a new high, meaning we could have seen a lower timeframe Elliott wave extension, or we were looking at a flat correction, where the wave B had made a new high. Higher timeframe Elliott wave analysis did suggest that throwbacks should be considered as countertrend, providing we held above the USD 89.67 support. Wave extension or flat correction? in either scenario the futures were divergent with the RSI rejecting the 60 level. The technical suggests that upside moves warranted caution in the near-term, as support levels were becoming vulnerable. A close and hold below the trend support line at USD 96.19 would signal sell side pressure was increasing.
- The futures failed to close below the trend support line resulting in price trading at new highs. Wave B or Wave extension? It is looking like a lower timeframe extension rather than a flat correction, we have adjusted the count accordingly. 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 97.01 with the RSI at or below 60.5 would mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 89.96 would support a bull argument, below this level the technical would have a neutral bias.
- Technical outlook: Downside moves considered as countertrend
- The upside move to new highs suggests wave extension rather than flat correction. The RSI is still divergent, warning buyside momentum could slow down. Throwbacks that hold at or above USD 95.07 would support a near-term bull argument, warning resistance remained vulnerable; conversely, a move below this level would indicate that we could be in the early stages of a higher timeframe Elliott wave correction. We identify USD 89,96 as the key support to follow, as throwbacks that hold at or above this level would suggest that there are further bull moves within the cycle to follow. With the move looking like it has extended our Fibonacci projection levels imply we could trade as high as USD 100.70 within this phase of the cycle; however, the divergence will need to be monitored. Caution will be warranted on a close and hold below the intraday trend support at USD 97.17.

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