FIS Brent Intraday Morning Technical

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Brent Nov 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	98.86	R1	99.64	99.35	Stochastic oversold	RSI below 50
S2	95.03	R2	101.98			
S3	94.78	R3	103.40			

Synopsis—Intraday

Chart source Bloomberg

- Price is below the 10-50 period SMA's (Simple Moving Average)
- RSI is below 50 (41)
- Stochastic is oversold
- Price is below the daily point 99.64
- Technical outlook Previously: Caution on downside moves.
- The futures remained in a corrective phase yesterday supported by the RSI below 50. However, we had an intraday 3-wave pattern lower, within the third wave (wave C) we had a 5-wave pattern lower, implying caution on lower moves at that point. Although cautious on downside moves, the futures needed to trade above the 1-hour fractal resistance at USD 102.59, with price and momentum aligned to the buyside, to signal buyside pressure was increasing. From a technical perspective we need to see more upside to signal that this phase of the corrective cycle had completed. We marked USD 105.89 as a key resistance to follow, as a rejection at or below this level would imply that the corrective phase had the potential to become more complex. Conversely, caution was warranted if the USD 98.86 support is breached, as the depth of the pullback would warn that the probability of price trading at a new high had started to decrease.
- The futures traded at a low of USD 97.36 before seeing light bid support, meaning the USD 98.86 level has been breached. We are below the 10-50-period MA's supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 99.64 with the RSI at or above 40.5 would mean price and momentum are aligned to the buyside; likewise, a close below this level with the RSI at or below 36 would mean it is aligned to the sell side. Downside moves that hold at or above USD 94.78 would support a longer-term bull argument, below this level the technical would have a neutral bias.
- Technical outlook: Neutral
- The downisde move to a new low means the futures are divergent on the 1-hour timeframe, meaning we maintain a cautious approach to lower moves at these levels. If the divergence fails, the USD 94.78 support becomes vulnerable. The depth of the pullback indicates that the probability of the futures trading at a new high for this phase of the cycle has started to decrease, the confliction between the divergence and deep pullback means we have a neutral technical. Upside moves that breach the USD 105.34 resistance would indicate buyside pressure is increasing, as the technical would have re-entered bullish territory; conversely, caution is warranted id the USD 105.34 resistance is rejected, as it would signal a more complex corrective phase.

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