FIS

Brent Intraday Morning Technical

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Brent Nov 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	101.83	R1	109.59	105.92	RSI above 50	
S2	101.62	R2	113.35			
S3	98.86	R3	117.10			

Synopsis—Intraday

Chart source Bloomberg

- Price is above the 10-50 period SMA's (Simple Moving Average)
- RSI is above 50 (62)
- Stochastic is above 50
- Price is above the daily point 101.62
- Technical outlook Previously: Neutral
- The downside move to a new low yesterday meant that the futures were divergent on the 1-hour timeframe, meaning we maintained a cautious approach to lower moves at those levels. If the divergence failed, then the USD 94.78 support would become 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 meant we had 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 was warranted if the USD 105.34 resistance was rejected, as it would signal a more complex corrective phase.
- The futures have traded higher on the positive divergence highlighted previously, resulting in the USD 105.34 resistance being broken, 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 101.62 with the RSI at or below 44.5 would mean price and momentum are 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: Buyside pressure increasing
- The move above the USD 105.34 resistance means the futures have re-entered bull territory, the strength of the upside move suggests that the probability of price trading at a new low has started to decrease. The RSI has reclaimed the 60 level, if we hold above it, then market buyers would look to challenge the USD 109.97 fractal high. With the USD 105.34 resistance being broken, while the RSI is above 50, the move higher is looking more like bullish impulse rather than a bearish pullback. However, caution will be warranted on a move below the 1-hour fractal support at USD 101.83, si the lower low would signal an increase in sell side pressure.

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