FIS Brent Intraday Morning Technical

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Brent Nov 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	104.67	R1	109.59	108.22	RSI above 50	Stochastic overbought
S2	103.11	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 (64)
- Stochastic is overbought
- Price is above the daily point 104.67
- Technical outlook Previously: Buyside pressure increasing
- We noted on Thursday that the move above the USD 105.34 resistance meant that the futures had re-entered bull territory, the strength of the upside move suggested that the probability of price trading at a new low had started to decrease. The RSI had reclaimed the 60 level, if we held 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 was above 690, the move higher was looking more like bullish impulse rather than a bearish pullback. However, caution would be warranted on a move below the 1-hour fractal support at USD 101.83, as the lower low would signal an increase in sell side pressure.
- The futures continue to trade higher having seen a bullish throwback on Friday. 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 104.67 with the RSI at or below 57 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: Minor negative divergence
- The futures remain supported with the RSI holding above the 60 level; however, the move above the USD 108.23 fractal high has created a minor negative divergence. The divergence is condition that warns that we could see a momentum slowdown, bearish price action is needed for confirmation. Conversely, if price holds and the RSI makes a new high, then the bullish momentum confirmation would suggest that the USD 109.97 fractal high could be tested and broken. Fibonacci projections levels suggest that we have the potential to trade as high as USD 117.10 within this phase of the cycle; however, positive momentum confirmation with the RSI holding above 60 is needed.

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