FIS Brent Intraday Morning Technical

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Brent Dec 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	98.86	R1	100.46	99.88	Stochastic oversold	RSI below 50
S2	98.10	R2	101.92			
S3	94.78	R3	103.17			

Synopsis—Intraday

Chart source Bloomberg

- Price is below the 10-50 period SMA's (Simple Moving Average)
- RSI is below 50 (40)
- Stochastic is oversold
- Price is below the daily point 103.17
- Technical outlook Previously: Neutral
- The move below the USD 103.11 fractal support yesterday suggested that sell side pressure was increasing; however, we had a broadening pattern forming, marked by the diverging trend lines. This pattern was considered as neutral by default, as the diverging trend lines and higher highs followed by lower lows signal a market in disagreement. A close and hold below the trend support line at USD 101.39 would weaken the technical further, leaving support levels vulnerable. Conversely, if the support line held, it would signal market support, while a move above the 1-hour fractal resistance at USD 103.73 would signal an increase in buyside pressure.
- The futures remained in the pattern before gapping lower on the roll into the December contract. The futures are seeing bid support but remain below the 10-50-period SMA's with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 103.17 with the RSI at or above 46.5 would mean price and momentum are aligned to the buyside. 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: Supported
- The gap lower on the roll has resulted in bid support on higher volume. A close above the trend resistance line at USD 100.46 would put price back in the broadening pattern, taking the technical into neutral territory. Conversely, caution is warranted if the resistance line is rejected. The futures will want to trade up to USD 101.92, as this will close the bearish gap that has formed; failure to do so would suggest weakens based on price. We are showing signal of support with price back above the intraday 200-period MA at USD 98.10, we now need to hold above the average if we are to move higher.

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