FIS

Brent Intraday Morning Technical

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

Brent Dec 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	100.97	R1	102.87	101.22		RSI below 50
S2	99.65	R2	103.96			
S3	98.86	R3	104.65			

Synopsis—Intraday

Chart source Bloomberg

- Price is between the 10-50 period SMA's (Simple Moving Average)
- RSI is below 50 (49)
- Stochastic is at 50
- Price is above the daily point 99.65
- Technical outlook Previously: Inflection point
- We noted yesterday that taking the roll into Dec out of the technical, we looked to be in a bear channel rather than a broadening pattern. Having rejected the 50-period SMA at USD 103.42 the futures were testing the 200-period SMA at USD 99.04, meaning we were at an inflection point; a close and hold below the average would leave market sellers looking to test the channel support at USD 97.54. Conversely, above the channel resistance at USD 102.15 we looked to test the 50-period SMA at USD 103.42. The broader trend look to be bullish with price in a corrective phase; however, while between two key moving averages, price was considered as neutral. Although we are in a falling channel, this technical continued to lack directional bias.
- The futures sold at a low of USD 97.06 resulting in price testing and holding the channel support. The subsequent upside move has put price above the 200-period MA at USD 9.28, and the channel resistance at USD 100.97. Price is between the 10-50 period SMA's with the RSI near neutral at 49, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 99.65 with the RSI at or below 43.5 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: Neutral
- The futures are trading above the channel resistance; however, we now need to hold above it. Technically the futures remain neutral as we are above the intra-day 200-period MA but below the 50-period MA at USD 102.87. The RSI has held above the 40 level indicating momentum is supported at this point; however, we need to be above 50 to see positive velocity. If we hold above channel support and close and hold above the 50-period MA at will signal an increase in buyside pressure.

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