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	102.05	R1	104.01	103.93	RSI above 50	
S2	100.28	R2	104.65			
S3	98.86	R3	106.20			

Synopsis—Intraday

Chart source Bloomberg

- Price is above the 10-50 period SMA's (Simple Moving Average)
- RSI is above 50 (54)
- Stochastic is above 50
- Price is below the daily point 104.01
- Technical outlook Previously: Buyside pressure increasing
- We noted on Thursday that the futures had seen a strong move above the 50—period SMA at USD 101.90, providing we held above the average it would signal an increase in buyside pressure. Upside moves above USD 104.65 would reduce the probability of the future trading at a new low, caution was warranted if we reject the USD 104.65 level and close below the 50-period SMA. The RSI was at a key level, if we closed and hold above 60, then momentum would support the bullish price action.
- The futures traded at a high of USD 105.92 before consolidating. We are above the 10-50 period SMA's with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 104.01 with the RSI at or above 58.5 would mean price and momentum are aligned to the buy-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: Supported
- Near-term price action is holding above the 50-period SMA at USD 102.05, this implies that the futures are supported. However, we have started to consolidate above the average while the RSI is finding resistance below the 60 level. There are warning signs of potential momentum weakness, for upside continuation, the RSI would need to reclaim and hold above the 60 level. Failure to reclaim the 60 level that is followed by a close and hold below the 50-period SMA would warn of intraday weakness, this would leave the 200-period MA at USD 100.28 vulnerable.

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