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	104.24	R1	108.83	105.30	RSI above 50	Stochastic overbought
S2	102.37	R2	112.47			
S3	100.78	R3	116.22			

Synopsis—Intraday

Chart source Bloomberg

- Price is above the 10-50 period SMA's (Simple Moving Average)
- RSI is above 50 (56)
- Stochastic is overbought
- Price is below the daily point 105.44
- Technical outlook Previously: Supported
- Near-term price action was holding above the 50-period SMA at USD 102.05 yesterday, this implied that the futures were supported. However, we had started to consolidate above the average while the RSI was finding resistance below the 60 level. There were 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 was 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.
- The RSI moved above 60 yesterday resulting in the futures trading at a high of USD 107.33. Bids faded into the close with price lower this morning, we remain above the 10-50 period SMA's supported by the RSI above 50, intraday price and momentum are now conflicting, as the RSI was on its average on the previous candle close.
- A close on the 4-hour candle above USD 105.44 with the RSI at or above 59.5 would mean price and momentum are aligned to the buy-side; likewise, a close below this level with the RSI at or below 55 would mean it is 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: Supported
- The futures remain supported despite a small move lower on the open. The upside move above the USD 105.92 resistance yesterday has resulted in a minor RSI divergence; this is a condition, the warns buyside momentum could slow down, it is not a sell signal and will need bearish confirmation. A close and hold below the trend support line at USD 104.24 would indicate sell side pressure is increasing. Conversely, caution is warranted if the trend support line is tested and holds. For upside continuation the futures need to trade above the USD 107.33 high that formed on the 12/10, supported by the RSI making a new high. In this scenario, the bullish momentum confirmation would warn that resistance levels could be tested an broken.

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