FIS Brent Intraday Morning Technical

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Brent Dec 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	103.41	R1	105.94	105.36	RSI above 50	
S2	102.19	R2	107.33			
S3	100.55	R3	108.83			

Synopsis—Intraday

Chart source Bloomberg

- Price is between the 10-50 period SMA's (Simple Moving Average)
- RSI is above 50 (54)
- Stochastic is above 50
- Price is on/below the daily point 105.44
- Technical outlook Previously: Supported
- The futures remained 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 was a condition that warned buyside momentum could slow down, it is not a sell signal and would 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 held. 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.
- The futures initially held the trend support line; however, price is now below it. We are between the 10-50 period SMA's with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 105.44 with the RSI at or above 60.5 would mean price and momentum are aligned to the buy-side; likewise, a close below this level 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: Sell side pressure increasing
- The futures held the trend support line at USD 105.94 yesterday; however, the RSI failed to reclaim the 60 level with price now below the support line. If we close and hold below the support line it would signal that sell side pressure is starting to increase. Conversely, a close above the support line with the RSI re-claiming 60 would suggest that the market remains supported; Due to the divergence, for upside continuation we would still need to see price above the USD 107.33 fractal resistance with the RSI making new highs. The technical is showing signs of weakness, leaving price vulnerable to an intraday throwback.

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