

Brent Dec 26 Morning Technical Comment – 240 Min



	Support		Resistance	Current price	Bull	Bear
S1	109.02	R1	113.53	111.33	RSI above 50	Stochastic overbought
S2	108.46	R2	116.29			
S3	107.49	R3	118.63			

Synopsis- Intraday

- Price is above the 10–20 period SMAs (Simple Moving Averages).
- RSI is above 50 (66).
- Stochastic is above 50.
- Price is above the daily point 109.02
- Technical outlook previously: Sell-side pressure increasing
- We noted on Thursday that the close below the trend line, supported by the RSI rejecting the 60 level, indicated that sell-side pressure has started to increase. However, the futures were finding light support at the 50-period SMA at USD 103.51, while the RSI was above the 40 level. For downside continuation, we needed a close and hold below the average, supported by the RSI falling below 40. Failure to produce a bearish close, with momentum weakening, would leave resistance levels vulnerable. We had fractal resistance at USD 107.33, while trend resistance was at USD 107.32. For upside continuation, we needed to close and hold above the USD 107.33 resistance, supported by the RSI reclaiming and holding above 60.
- The futures held the 50-period SMA with the RSI holding the 40 level, resulting in price trading at new highs. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 109.02, with the RSI at or below 60, would mean price and momentum are aligned to the sell-side. Downside moves that hold at or above USD 106.17 would support a bullish argument. Below this level, the technical outlook would have a neutral bias.
- Technical outlook: Negative RSI divergence
- The upside move to a new high has created a negative RSI divergence. This is not a sell signal; it is a condition that warns that buyside momentum could slowdown in the near-term, meaning it needs to be monitored. As the RSI is already above 50, if the RSI makes a new high, then the bullish momentum confirmation would warn that the USD 113.53 resistance could be tested and broken. Throwbacks that hold at or above the USD 106.174 support would leave price vulnerable to further impulse moves higher.