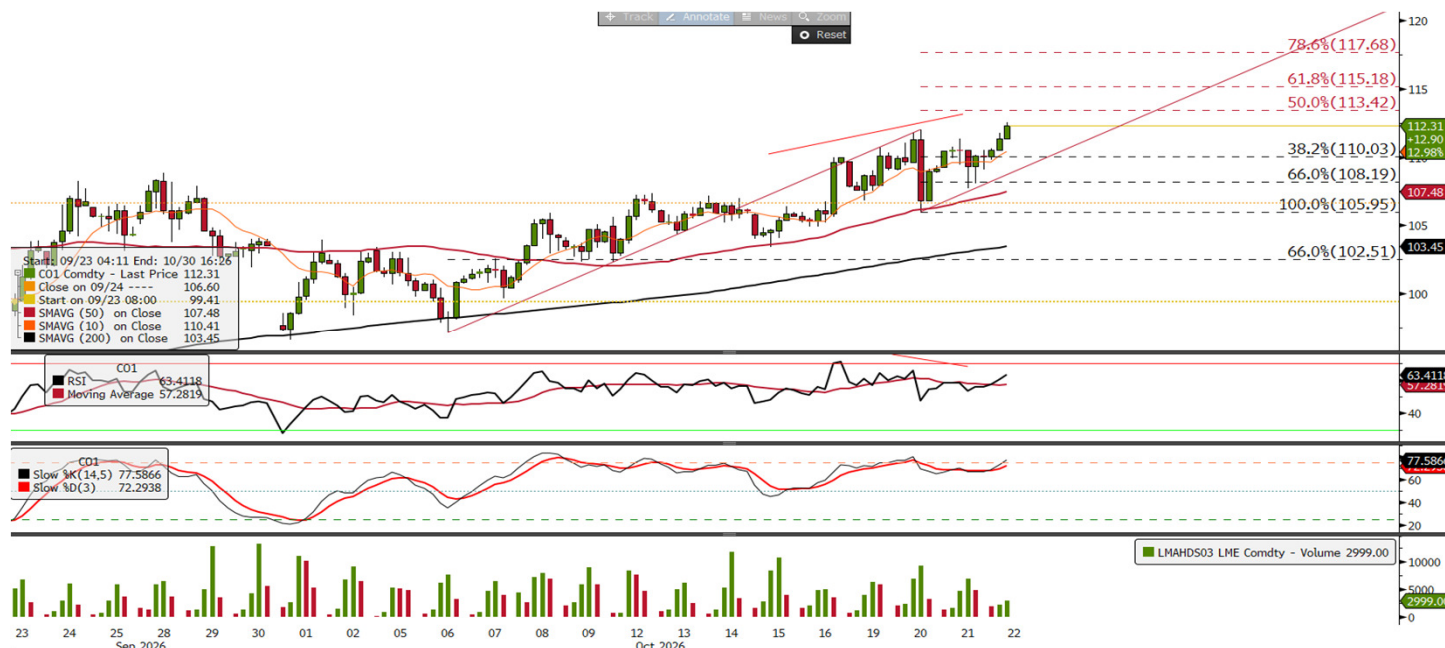


Brent Dec 26 Morning Technical Comment – 240 Min



	Support		Resistance	Current price	Bull	Bear
S1	110.03	R1	113.42	112.31	RSI above 50	Stochastic overbought
S2	108.16	R2	115.18			
S3	105.95	R3	117.68			

Synopsis- Intraday

- Price is above the 10–50 period SMAs (Simple Moving Averages)
- RSI is above 50 (63)
- Stochastic is overbought
- Price is above the daily point 105.60
- Technical outlook previously: Supported
- The upside move above the USD 109.94 resistance yesterday signaled that price action was supported, as we had re-entered bullish territory. However, we did initially sell off on a negative RSI divergence that breached key resistance, above USD 111.99 would create further divergences. This was a condition that warned buy-side momentum could slow down, it was not a sell signal, confirmation would be needed in the form of bearish price action. Technically supported based on the resistance break, there were warning signs; the upside move to USD 110.75 on the open saw the RSI reject the 60 level, an early warning of potential momentum weakness, we also noted that price and momentum were currently conflicting. If we were to trade at new highs, then the RSI would need to reclaim and hold the 60 level. Key longer-term support was at USD 102.14, throwbacks that held at or above this level would suggest that there is a larger, bullish Elliott wave cycle in play.
- The RSI has reclaimed the 60-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 buy-side.
- A close on the 4-hour candle below USD 105.60, with the RSI at or below 55, would mean price and momentum are aligned to the sell-side. Downside moves that hold at or above USD 108.24 would support a near-term bullish argument. Below this level, the lower timeframe cycle would have a neutral bias.
- Technical outlook: negative divergence
- The lower timeframe Elliott wave cycle looks to have entered a wave 5, meaning we have a potential near-term upside target at USD 115.18. However, the new high means we have a negative RSI divergence in play; this is a condition that warns sell side momentum could slowdown, it is not a sell signal, confirmation will be needed in the form of bearish price action. Downside moves that breach the USD 108.16 level would reduce the probability of the futures trading at a new high within this phase of the cycle, warning we are entering into a higher timeframe corrective phase. Key longer-term support is currently at USD 102.51, throwbacks that hold at or above this level would support our longer-term bullish Elliott wave analysis. The divergence now needs to be monitored.

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