



# Brent Intraday Morning Technical

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## Brent June 23 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	85.01	R1	85.77	RSI above 50	Stochastic overbought
S2	83.16	R2			
S3	82.15	R3			

### Synopsis—Intraday

- Price is above the 8-21 period EMA's
- RSI above 50 (60)
- Stochastic is overbought
- Price is above the daily pivot point USD 85.01
- Due to the futures being in consolidation with a divergence ahead if we traded higher, we had a neutral bias yesterday. We have seen a small move higher with price above the 8-21 period EMA's supported by the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 85.01 with the RSI at or above 61.5 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 57 will mean it is aligned to the sell side. Downside moves that hold at or above USD 80.77 will support a bull argument, below this level the technical will have a neutral bias.
- Technically the futures are bullish on the intraday technical whilst the daily is bearish with a neutral bias. Upside moves above USD 86.44 will mean we are on a bullish wave 5 for this phase of the cycle, indicating the minimum requirement for wave/phase completion will have been achieved. However, a new high will create a negative divergence with the RSI, not a sell signal does warn that we have the potential to see a momentum slowdown and will need to be monitored. Countering this, if we do break higher, then using the William's approach we have a potential upside target of USD 93.85. Above USD 86.75 then the bearish Elliott wave cycle will have failed and the daily technical becomes bullish. In theory, with the longer-term Elliott wave cycle being bearish/neutral, this upside move should not produce a bullish 5th wave as corrective moves tend to be 3 waves, meaning if we trade above USD 86.44 but fail to trade above USD 86.75, then the probability that the longer-term bearish wave cycle has already failed, will be high. Making USD 86.44 a very important resistance level. This also highlights the importance of the USD 80.77 support, if the futures do not trade above USD 86.44, resulting in a move below USD 80.77 level being broken, it would suggest this upside moves was potentially just a corrective 3-wave move higher, meaning the USD 70.12 support will become a target for market sellers. This is the reason why we are neutral, as the technical is in balance, hence the consolidation.

Chart source Bloomberg

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