



Brent Intraday Morning Technical

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Brent July 23 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	75.14		RSI below 50
S2	R2			
S3	R3			

Synopsis—Intraday

- Price is on the 8-21 period EMA's
- RSI above 50 (47)
- Stochastic is overbought
- Price is above the daily pivot point USD 74.82
- The downside move on the Asian open yesterday failed to break the USD 73.37 support, resulting in a small move higher overnight. The MA on the RSI continued to suggest that momentum was weak, whilst the intraday Elliott wave cycle implied that upside moves should be considered as countertrend. However, the futures were holding above our key support, meaning resistance levels remained vulnerable in the near-term. A close on the 4-hour candle above USD 74.24 would warn that momentum based on price was starting to strengthen, warning the Fibonacci resistance zone could be tested. Technically bearish with a neutral bias, if the USD 73.37 support was broken, then technical would be considered as bearish. The futures continued to move higher for the remainder of the session; however, price is starting to move lower today. The futures are trading on the 8-21 period EMA's with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 74.82 with the RSI at or below 42.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 73.37 will support a near-term bull argument, below this level we target the USD 71.28 fractal low.
- The technical remains bearish with a neutral bias but we now have conflicting signals coming from the momentum indicators, as the MA on the RSI is turning higher, implying momentum is supported. Countering this, the RSI is below 50 with the stochastic in overbought territory, if the RSI can hold below 50 then momentum will be vulnerable to a move to the downside. Having closed above USD 74.24 yesterday, momentum based on price is supported, whilst the futures have held above the USD 73.37 support, in theory resistance levels are vulnerable. However, the intraday Elliott wave analysis continues to suggest caution on upside moves at this point, as our analysis would suggest that the move is against the trend.

Chart source Bloomberg

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