



Brent Intraday Morning Technical

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Brent August 23 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	76.65	R1	78.95	RSI above 50	Stochastic overbought
S2	75.06	R2	80.47		
S3	73.88	R3	83.06		

Synopsis—Intraday

- Price is above the 8-21 period EMA's
- RSI above 50 (53)
- Stochastic is overbought
- Price is above the daily pivot point USD 76.65
- Technically bearish yesterday, the RSI was near neutral whilst the stochastic was in oversold territory. If the RSI moved above and held above the 50 level, then momentum would imply the futures will be vulnerable to a test to the upside. However, if the RSI stayed below 50 then the stochastic would be considered as less relevant. Intraday Elliott wave analysis continued to suggest that upside moves should be considered as countertrend. The futures were starting to roll over to the sell side, warning that support levels were vulnerable; The MA on the RSI also warned that near-term momentum was weakening. If we did see a close above USD 76.61 (the last dominant bear candle) it would suggest that momentum based on price was starting to strengthen. The futures moved higher with price closing above the USD 76.61 level whilst the RSI moved above 50, resulting in the futures trading to a high of USD 77.64. Price is 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 76.65 with RSI at or below 50.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 78.95 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 83.06 is the technical bullish, as this is the higher of the bearish Elliott wave 3.
- Technically we remain bearish, the futures did produce a bullish take-over candle yesterday, indicating near-term momentum based on price is supported. However, all the averages have converged, indicating the market is finding value (I.E becoming neutral), warning we have the potential to create a consolidation pattern around these levels.

Chart source Bloomberg

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