



Brent Intraday Morning Technical

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

Brent October 23 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	87.02	R1	86.25	RSI above 50	
S2	86.27	R2			
S3	85.71	R3			

Synopsis—Intraday

- Price is below the 8-21 period EMA's
- RSI is above 50 (52)
- Stochastic is overbought
- Price is below the daily pivot point USD 86.88
- Technically bullish yesterday, the near-term divergence had failed; however, we noted that there were two other divergences in play. The upside move above USD 87.49 is now warning that the longer-term Elliott wave cycle could be failing. We are in divergence, meaning we maintain a cautious view within this bullish intraday play; however, with the near-term divergence failing, it is warning that could still be further upside within the current bull move, leaving us a cautious bull. The futures have entered a corrective phase on the back of the divergence with price now below the 8-21 period EMA's, the RSI remains below 50 with price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 86.88 with the RSI at or above 60 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 84.94 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish the futures are now in a corrective phase with price currently above key support levels. The RSI is above 50 with the stochastic in oversold territory, providing the RSI can hold above 50, then momentum is warning we are vulnerable to further tests to the upside. If the RSI moves below 50 then the oversold stochastic will be considered as less relevant. Upside moves above USD 88.10 would suggest we are seeing wave extension; this will have bullish implications going forward. At this point we remain a cautious bull as the futures are correcting on the back of two negative divergences, not sell signals, they are warning we have the potential to see a momentum slowdown and need to be monitored, making USD 84.94 the key support to follow.

Chart source Bloomberg

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