



Brent Intraday Morning Technical

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Brent October 23 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	83.00	R1	83.95		
S2	82.36	R2	84.97		RSI below 50
S3	81.55	R3	85.57		

Synopsis—Intraday

- Price is below/between the 8-21 period EMA's
- RSI is below 50 (44)
- Stochastic is below 50
- Price is above the daily pivot point USD 83.94
- Technically bearish yesterday, we had an intraday 5-wave pattern lower, suggesting caution on downside moves. However, the MA on the RSI implied momentum remained weak whilst upside moves looked like they could be countertrend, as the 5-wave pattern lower looked to be a bearish impulse wave A, suggesting there will be more downside within this cycle. If this was a countertrend wave B, it should in theory be a 3-wave pattern higher that would fail below the USD 86.38 resistance, making this the key level to follow. If resistance was broken, then the probability of the futures trading to a new low will have decreased, implying the corrective wave count will need to be re-evaluated. The futures have moved higher but remain below the Fibonacci resistance zone, the RSI is below 50 with price trading on the 8-period EMA, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 83.94 with the RSI at or below 40.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 86.38 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- We remain technically bearish with price below the Fibonacci resistance zone. The futures are moving higher in what looks to be a countertrend wave B, making USD 86.38 the key level to follow at this point.

Chart source Bloomberg

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