



Brent Intraday Morning Technical

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Brent Feb 24 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear	
S1	78.42	R1	78.60	Stochastic oversold	RSI below 50	
S2	77.90	R2				80.22
S3	76.92	R3				81.54

Synopsis—Intraday

Chart source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is below 50 (43)
- Stochastic is oversold
- Price is above the daily pivot point 78.42
- We noted that due to the futures moving lower yesterday the technical had entered bearish territory. The MA on the RSI was suggesting that momentum was weak, meaning that the USD 76.60 fractal support was vulnerable. If we did see a move above USD 80.22 it would warn that the probability of the futures trading to a new low would start to decrease. The futures moved sideways yesterday with price finding light bid support after the Saudi energy minister said that cuts can go past the first quarter if needed. This is leaving the technical in a vulnerable area, if we break the USD 76.60 fractal low then we could be looking at a bearish wave extension; however, if the rhetoric from OPEC is strong enough, there will be caution on downside moves whilst we are above USD 76.60. As we stand, price is below the 8-21 period EMA with the RSI below 50, intraday price and momentum however is now aligned to the buy side.
- A close on the 4-hour candle below USD 78.42 with the RSI at or below 39 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 80.22 will the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- We remain technically bearish; however, the RSI is above its MA which is starting to flatten, warning sell side momentum is slowing down and becoming neutral. Market sellers will now need to see price and momentum become aligned to the sell side to support further downside moves. Key resistance to follow is at USD 80.22, a move above this level will warn that the probability of the futures trading to a new low will start to decrease. We are a cautious bear due to momentum turning neutral.

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