



Brent Intraday Morning Technical

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Brent Feb 24 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	76.92	R1	77.76	Stochastic oversold	RSI below 50
S2	76.60	R2	78.73		
S3	75.67	R3	79..99		

Synopsis—Intraday

Chart source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (40)
- Stochastic is oversold
- Price is below the daily pivot point 77.76
- We remained technically bearish yesterday; however, the RSI was above its MA which was starting to flatten, warning sell side momentum was slowing down and becoming neutral. Market sellers would need to see price and momentum become aligned to the sell side to support further downside moves. Key resistance to follow was at USD 80.22, a move above this level would warn that the probability of the futures trading to a new low would start to decrease. We were a cautious bear due to momentum turning neutral. The futures did move lower, but price and momentum did not become aligned to the sell side, as the RSI move below its MA was not defined to be large enough. Price is below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 77.76 with the RSI at or below 38.5 will mean price and momentum are aligned to the sell side; likewise, a close above this level with the RSI at or above 43 will mean it is aligned to the buyside. Up-side moves that fail at or below USD 79.99 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI remains neutral with price and momentum conflicting. The new low has created a positive divergence with the RSI, not a buy signal it is a warning that we could see a momentum slowdown. For this reason, we remain cautious on downside moves. Key longer-term support is at USD 76.60, if we start to trade below this level, then we could potentially be looking at some form of higher timeframe Elliott wave extension.

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