



Brent Intraday Morning Technical

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Brent Feb 24 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	72.40	R1	74.10	72.67	Stochastic oversold	RSI below 50
S2	71.28	R2	74.59			
S3	69.77	R3	75.25			

Synopsis—Intraday

Chart source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (34)
- Stochastic is oversold
- Price is below the daily pivot point 74.28
- We remained bearish yesterday, in theory, the upside move still looked like it would be countertrend. However, we did note that we had US CPI figures out, which were a big enough figure to change the footprint of the intraday wave cycle if we saw USD weakness. The technical continued to have conflicting momentum; however, the 60 min chart was in divergence with the RSI, warning buyside momentum could slow down, meaning we remained cautious on upside moves. Key resistance remained unchanged at USD 80.96. The futures moved lower on the back of the negative divergence and the wave cycle, resulting in price making a new low. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 74.28 with the RSI at or above 44 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below 75.25 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, intraday Elliott wave analysis is now suggesting that we have a potential downside target at USD 69.77. However, the new low has created a positive divergence with the RSI, not a but signal it does warn that we have the potential to see a momentum slowdown, which will need to be monitored. In March, we traded to a low of USD 70.12, this was followed by a support zone being created between USD 71.28 – USD 71.58, this zone formed between May and July, market sellers will need to be aware of this. If we do trade below the USD 71.28 level, it suggests that the USD 70.12 fractal low could be tested and broken.

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