



# Brent Intraday Morning Technical

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## Brent Feb 24 Morning Technical Comment – 240 Min



|    | Support | Resistance | Current Price | Bull  | Bear         |
|----|---------|------------|---------------|-------|--------------|
| S1 | 73.87   | R1         | 75.72         |       | RSI below 50 |
| S2 | 72.40   | R2         | 76.66         | 75.24 |              |
| S3 | 71.28   | R3         | 80.51         |       |              |

### Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is below 50 (48)
- Stochastic is above 50
- Price is above the daily pivot point 73.87
- Technically bearish yesterday, intraday Elliott wave analysis suggested that we had a potential downside target at USD 69.77. However, the new low had created a positive divergence with the RSI, not a buy signal it did warn that we had the potential to see a momentum slowdown, which needed 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. The futures have moved higher on the positive divergence and the weaker USD. Price is above the 8-21 period EMA's with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 73.87 with the RSI at or below 39.5 will mean price and momentum are aligned to the sell side. The near-term resistance at USD 75.25 has been breached, meaning the current Elliott wave cycle is neutral. However, we have a longer-term resistance at USD 80.51. If this level holds, it will warn that there could be a larger, bearish, Elliott wave cycle in play.
- Technically bearish but with a neutral bias, the breach in the USD 75.25 resistance means that the probability of the current Elliott wave cycle trading to a new low has started to decrease. The MA on the RSI is now flat, meaning momentum is neutral at this point, a move above USD 76.66 will mean that the intraday technical is bullish based on price making a higher high. However, as noted above, if we do see an upside moves reject the USD 80.51 resistance, then there could potentially be a larger bearish cycle still in play. We highlight this as the futures remain above the USD 70.12 level in a bear cycle that has now been in play for 21 months.

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