



Brent Intraday Morning Technical

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Brent Feb 24 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	78.57	R1	80.51	RSI above 50
S2	77.10	R2	82.08	
S3	75.29	R3	84.75	

Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (58)
- Stochastic is above 50
- Price is above the daily pivot point 79.61
- Technically bullish yesterday, the futures were trading on the 200-period MA (USD 79.78), a close above that held above the average would support a buyer's argument; likewise, a robust rejection of the average would leave support levels vulnerable. If we traded above USD 80.51 it would warn that the probability of the futures remaining in a longer-term, bearish Elliott wave cycle would start to decrease, leaving the USD 82.08 and USD 84.75 resistance levels vulnerable. The MA on the RSI did suggest that momentum was supported, meaning resistance levels are vulnerable; however, if price and momentum became aligned to the sell side, then we could see the USD 76.92 support come under pressure. Market buyers will want to see the futures move above the USD 80.51 resistance, and then hold above the 200-period MA. The futures did move higher on the momentum support, resulting in price breaching the USD 80.51 resistance. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 79.61 with the RSI at or below 56 will mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above 60.5 will mean it is aligned to the buyside. Downside moves that hold at or above USD 77.10 will support a bull argument, below this level the technical will have a neutral bias.
- The futures remain bullish with price breaching the USD 80.51 resistance, meaning that the probability of there being a larger, bearish Elliott wave cycle in play has started to decrease. However, we now need to see the futures close above and hold above the 200-period MA (USD 86.18), if we do, it will further support a buyer's argument; conversely, failure to do so will warn we could enter a corrective phase. Price is above trend support (currently USD 78.69), if we close below it, then we could see the futures enter a corrective phase, we highlight this as there is a negative divergence in play, warning we are vulnerable to a momentum slowdown.
- A bullish technical, the divergence needs to be monitored, if we hold above trend support, then the divergence could fail. However, if broken, it will warn of a correction, with focus on the USD 77.10 level.

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