



Brent Intraday Morning Technical

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Brent Feb 24 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	79.65	RSI above 50	
S2	R2			
S3	R3			

Synopsis—Intraday

Chart source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is above 50 (51)
- Stochastic is oversold
- Price is below the daily pivot point 79.99
- Bullish based on price yesterday, the Elliott wave cycle was bearish with a neutral bias. The RSI had held resistance implying there was minor divergence in play; this divergence was more prominent on the 1-and-2-hour charts, warning we had the potential to see a momentum slowdown. However, we noted that tensions in the Red Sea remained high, if they stayed that way, then the divergence could fail. A move below USD 79.14 would mean that the probability of the futures trading to a new high would start to decrease. The futures have moved lower on the back of the negative divergence, resulting in trend support being broken. Price is below the 8-21 period EMA's with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 79.99 with the RSI at or above 58 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 79.14 will support a bull argument, below this level the technical will have a neutral bias.
- The futures remain bullish based on price (bearish neutral on the Elliott wave cycle); however, we are moving lower on the back of a negative divergence having broken trend support. The RSI is above 50 with the with the stochastic in oversold territory, momentum is warning that we could be vulnerable to a move higher, providing the RSI can hold above the 50 level. The technical is conflicting a little here, as momentum supports a potential move higher, but the negative divergence and trend break warn that we could move lower. This brings the 200-period MA (USD 79.22) and the USD 79.14 support into play. If broken it will warn that the probability of this phase of the lower timeframe Elliott wave cycle trading to a new high has started to decrease, meaning we could test and break the USD 77.81 fractal low, taking the technical into bearish territory. Longer-term support would then be at USD 75.50, as this is the 66% retracement of the USD 72.29 – 81.72 range. If we correct but hold above this level then it implies that there could be a higher timeframe bullish wave cycle in play; likewise, if broken the Elliott wave cycle on the daily technical will re-enter bearish territory.
- The technical is bullish, but support levels are starting to look vulnerable in the near-term. Obviously, if the Houthis manage another hit in the red sea, then the technical side of the market will be ignored whilst damage and risk are assessed.

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