



Brent Intraday Morning Technical

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Brent Mar 24 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear	
S1	75.50	R1	77.54	Stochastic oversold	RSI below 50	
S2	74.31	R2				80.15
S3	72.29	R3				82.08

Synopsis—Intraday

Chart source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (41)
- Stochastic is oversold
- Price is below the daily pivot point 78.86
- The futures remained bullish based on price yesterday (bearish neutral on the Elliott wave cycle); however, we were moving lower on the back of a negative divergence having broken trend support. The RSI was above 50 with the with the stochastic in oversold territory, momentum warned that we could be vulnerable to a move higher, providing the RSI could hold above the 50 level. The technical was conflicting, as momentum supported a potential move higher, but the negative divergence and trend break warned that we could move lower. This brought the 200-period MA (USD 79.22) and the USD 79.14 support into play. If broken it warned that the probability of this phase of the lower timeframe Elliott wave cycle trading to a new high had 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 – USD 81.72 range. If we corrected but held above this level, it implied that there could be a higher timeframe bullish wave cycle in play; likewise, if broken the Elliott wave cycle on the daily technical would re-enter bearish territory. The technical was bullish, but support levels were starting to look vulnerable in the near-term. We noted that if the Houthi managed another hit in the red sea, then the technical side of the market will be ignored whilst damage and risk are assessed. We traded below the Fibonacci support and the 200-period MA yesterday, the roll into March today means fractal support has been broken, taking the intraday technical into bearish territory. We are below all key moving averages support by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 78.86 with the RSI at or above 53 will mean price and momentum are aligned to the buyside. Upside moves fail at or below USD 80.15 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish based on price, the MA on the RSI implies that momentum remains weak at this point. Key support to follow is at USD 75.50, if we hold above this level, it will warn that there is potentially a larger bull cycle in play. However, if broken, then the higher timeframe Elliott wave cycle will re-enter bearish territory.

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