



Brent Intraday Morning Technical

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Brent April 24 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	80.22	R1	81.84	RSI above 50	Stochastic overbought
S2	79.54	R2	82.02		
S3	78.60	R3	83.05		

Synopsis—Intraday

Chart source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is at 50 (57)
- Stochastic is overbought
- Price is below the daily pivot point 81.84
- Technically bullish with a neutral bias on Friday, we noted that a move above USD 82.02 would put the futures back in bullish territory. We had previously had the upside move as looking like it could be countertrend based on the strength of the pullback and the RSI low. We noted the potential divergence on the 05/01 and the momentum turn on the 06/01 warned that the futures were turning higher; however, the move up had looked to be against the trend. The higher we moved the stronger the momentum had become with price at an inflection point on the 09/02. We were just below the USD 82.02 resistance with price was above all key moving averages, the weekly pivot and had momentum and AOI support. However, above USD 81.90, the futures would be in divergence with the RSI on the lower timeframe, not a sell signal, it warned we could have a momentum slowdown, implying caution on upside breakouts. The technical was at a key area, divergence aside, we looked like we could break key resistance. However, until that divergence failed, we had a note of caution, as the futures would be vulnerable to a technical pullback. At this level, we had a neutral view, it was not a buy, but the technical had more bullish signals than bearish, meaning it would be hard to justify going short. The futures traded to a new high, creating a minor negative divergence. Price is moving lower and now trading between the 8-21 period EMA's. The RSI is below 50, but intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 81.84 with the RSI at or above 63 will mean price and momentum are aligned to the buyside. Downside moves that gold at or above USD 78.60 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish due to the futures trading above the USD 82.02 resistance. We are pulling back on a minor negative divergence with the RSI; however, the lower timeframe intraday Elliott wave cycle is warning that downside moves look to be countertrend at this point, suggesting support levels should hold if tested. If we do trade below USD 78.60 then the probability of the futures trading to a new high will start to decrease. We have seen another build in AOI implying market longs are increasing their positions, supporting a buyers argument.

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