



Brent Intraday Morning Technical

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

Brent May 24 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	85.40	R1	86.75	RSI above 50	Stochastic overbought
S2	84.69	R2			
S3	83.73	R3			

Synopsis—Intraday

Chart source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is at 50 (62)
- Stochastic is overbought
- Price is below the daily pivot point 87.14
- Technically bullish yesterday, the 1-hour RSI had rejected its resistance previously, meaning there was still a minor divergence in play. Lower timeframe Elliott wave analysis warned that we could see one smaller test to the upside within this phase of the cycle; however, due to the divergence we continued to maintain a cautious view on upside moves at these levels. From the bull side, we were seeing AOI continue to build, meaning there could be a larger cycle coming into play after a corrective move lower. We were cautious on upside moves, but conscious this move may become part of a larger bull cycle. The futures traded to a high of USD 87.70 before entering a corrective phase. We are now trading between 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 87.14 with the RSI at or above 70 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above 85.65 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish with price moving lower, the upside move yesterday has failed to hold with the futures entering a corrective phase. However, time is a major factor in the Elliott wave, the move yesterday means the time factor has extended (the candle has gone from 52 min to USD 60 min for this phase of the cycle), meaning we are looking at an Elliott wave extension. This means that downside moves should be considered as countertrend in the near-term, making USD 83.73 the key support to follow. If broken, then the probability of the futures trading at a new high will have started to decrease.

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