



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	86.24	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 above 50 (56)
- Stochastic is below 50
- Price is below the daily pivot point 86.36
- Technically bullish with price moving lower yesterday, the upside move previously had failed to hold with the futures entering a corrective phase. However, we noted that time is a major factor in the Elliott wave, the move previously meant that the time factor had 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 meant that downside moves should be considered as counter-trend 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 would have started to decrease. The futures traded to a low of USD 85.59 before finding light bid support. Price is trading back between the 8-21 period EMA's with the RSI above 50, intraday price and momentum are conflicting, as the previous candle closed above the daily pivot level.
- 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 buy side; likewise, a close below this level will mean it is aligned to the sell side. Downside moves that hold at or above 83.73 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, based on the Elliott wave extending, we maintain our view that downside moves look to be counter-trend at this point, making USD 83.73 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease. The MA on the RSI is warning of momentum weakness whilst the RSI has broken support, warning upside moves could fail to hold in the near-term. Aggregate open interest has dropped on the downside move yesterday, implying there has been some liquidation from existing longs.

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