



# 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	R1	86.70	RSI above 50	
S2	R2			
S3	R3			

### Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (57)
- Stochastic is above 50
- Price is above the daily pivot point 86.42
- Unchanged on the technical yesterday, we were bullish with the futures moving higher, but we remained in a corrective phase. The MA on the RSI continued to warn of momentum weakness; however, the RSI was now above its MA, warning the MA could soon flatten. The 1-hour RSI remained in divergence, not a buy signal, it warned that we had the potential to see a momentum slowdown which would need to be monitored. Upside moves that rejected the USD 86.78 resistance would warn that the corrective phase could be more complex; likewise, a move below USD 83.73 would mean that the probability of the futures trading to a new high would start to decrease. The futures have continued to move higher on the back of the 1-hour divergence with the RSI, resulting in price trading above the USD 86.78 resistance. We are above all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 86.42 with the RSI at or below 51.5 will mean price and momentum are 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 with our intraday Elliott wave analysis suggesting downside moves could be countertrend. The MA on the RSI is indicating that momentum is supported with price breaching the USD 86.78 resistance. However, we had a rejection candle going into the close yesterday warning there is sell side pressure at higher levels, countering this, we closed above the weekly pivot level yesterday (pivot USD 86.11). If we trade above the high of the rejection candle (USD 87.17), it is likely to trigger market stops, and bull entry signals (Larry Williams), warning the USD 87.70 fractal high could be tested and broken.

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