



# Brent Intraday Morning Technical

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## Brent May 24 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	85.31	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

### Synopsis—Intraday

Chart source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (46)
- Stochastic is oversold
- Price is below the daily pivot point 86.24
- Technically bullish yesterday with our intraday Elliott wave analysis suggesting downside moves could be countertrend. The MA on the RSI indicated that momentum was supported with price breaching the USD 86.78 resistance. However, we had a rejection candle going into the close previously warning there was sell side pressure at higher levels, counter-acting this, we had closed above the weekly pivot level (pivot USD 86.11). If we traded 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. The futures failed to trade above the high of the rejection candle, resulting in price moving lower. We are below the 8-21 period EMA's with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 86.24 with the RSI at or above 56 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above 83.73 will support a bull argument, below this level the technical will have a neutral bias.
- The futures have moved lower on the back of the rejection candle (and the 9.3-million-barrel API build), resulting in price closing back below the weekly pivot level (USD 86.11). The weak close on the daily chart is warning that sell side pressure is increasing with price trading below yesterdays low, warning the USD 85.06 fractal support could be tested and broken. If it is, it will confirm that we are in a complex corrective phase. Our intraday Elliott wave analysis is suggesting that downside moves look like they could be countertrend; however, if we do trade below the USD 83.73 level, then the probability of the futures trading to a new high will start to decrease. This will also warn that there is a greater chance that the bullish Elliott wave cycle could fail. Near-term price action is looking weak at this point.

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