



Brent Intraday Morning Technical

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Brent July 24 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	81.71	R1	83.09	Stochastic oversold
S2	80.24	R2	84.97	
S3	79.49	R3	885.90	
		82.03		RSI below 50

Synopsis—Intraday

Chart source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (32)
- Stochastic is oversold
- Price is above the daily pivot point 83.09
- Technically bearish yesterday; as noted previously, the RSI divergence implied that the futures are not considered a technical sell at these levels, as we were vulnerable to an intraday move higher. Key resistance was at USD 87.43, upside moves above this level will warn that the probability of the futures trading to a new low will start to decrease. The MA on the RSI is indicating that momentum was supported, in line with the divergence that is in play.
- The futures tested the downside followed by a failed test to the upside; however, we did close lower on the day. The futures are coming under pressure this morning with price below all key moving average supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 83.09 with the RSI at or above 39 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 87.15 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the futures are moving lower but remain in divergence with the RSI. Not a buy signal, it is a warning that we could see a momentum slowdown, which will need to be monitored. The MA on the RSI is now flat, indicating momentum support is fading, whilst price is moving away from the weekly pivot level. This current move lower looks like it is related more to the USD basket strength. rather technical weakness in Brent, suggesting both technicals need to be monitored at this point. Based on the oil technical, we maintain a cautious view on downside moves due to the divergence in play.

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