



Brent Intraday Morning Technical

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Brent July 24 Morning Technical Comment – 240 Min



| Support | Resistance | Current Price | Bull | Bear |
|---------|------------|---------------|------|--------------|
| S1 | R1 | 84.09 | | RSI below 50 |
| S2 | R2 | | | |
| S3 | R3 | | | |

Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is below 50 (49)
- Stochastic is overbought
- Price is above the daily pivot point 83.10
- Technically bearish yesterday, the futures were moving lower but remained in divergence with the RSI. Not a buy signal, it warned that we could see a momentum slowdown, which needed to be monitored. The MA on the RSI was flat, indicating momentum support was fading, whilst price was moving away from the weekly pivot level. This current move lower looked like it was related more to the USD basket strength, rather than technical weakness in Brent, suggesting both products would need to be monitored. Based on the oil technical, we maintained a cautious view on downside moves due to the divergence in play.
- The futures traded to a low of USD 81.71 before finding bid support to close at USD 83.58. We are higher again this morning with price above the 8-21 period EMA's with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 83.10 with the RSI at or below 39.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 87.07 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 higher on the back of the positive divergence with the RSI. The MA on the RSI is indicating that momentum is supported with price now approaching the weekly pivot level (USD 84.95). A close on the daily chart above this level will warn that buyside pressure is increasing, warning the USD 87.07 resistance will start to look vulnerable; if broken, the probability of the futures trading to a new low will start to decrease. Likewise, a rejection of either the weekly pivot or the USD 87.07 level will warn that the technical remains weak, meaning we could see another test to the downside. At this point, the downside rejection on the back of the divergence, alongside the momentum support, suggests that resistance levels are vulnerable at this point.

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