



Brent Intraday Morning Technical

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Brent July 24 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	81.89	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 (40)
- Stochastic is oversold
- Price is below the daily pivot point 82.78
- Technically bearish yesterday, the MA on the RSI was flat, meaning momentum had turned neutral. The rejection of the daily 200-period MA (USD 84.45) had resulted in a move lower, we were testing the weekly pivot level (USD 83.03). A close on the daily chart below this level would warn that sell side pressure was increasing, indicating we could test and break the USD 82.22 support, if we did, then the USD 81.05 fractal low would start to look vulnerable. However, below this level will create further divergences with the RSI, we also have the weekly 200-period MA at USD 79.68, suggesting caution on downside breakouts, as the move could struggle to hold. Failure to close below the weekly pivot, or a rejection of the USD 82.22 level, would warn that we have underlying support in the market. The futures were weakening, warning we could move lower in the near term, yet as previously stated we remain cautious on moves to new lows.
- The futures continue to sell lower with price closing below the weekly pivot level and trading below the USD 82.22 support. We are below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 82.78 with the RSI at or above 50 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 86.84 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI continues to warn the momentum remains weak. The break in the USD 81.22 support means that the USD 81.05 fractal low is now looking like it could be tested and broken. As previously highlighted, we remain cautious on downside breakouts below USD 81.05 as this will create a positive 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 Weekly 200-period MA is at USD 79.67, this has acted as a support on at least 9 occasions, making it a dangerous area to enter fresh lows (based on historical performance).

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