



Brent Intraday Morning Technical

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Brent Aug 24 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	75.96	R1	79.37	Stochastic oversold	RSI below 50
S2	73.49	R2	79.94		
S3	70.38	R3	80.91		

Synopsis—Intraday

Chart source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (32)
- Stochastic is oversold
- Price is below the daily pivot point 79.37
- Technically bearish yesterday, the MA on the RSI warned that momentum remains weak. However, the RSI was in divergence with price, not a buy signal warned that we could see a momentum slowdown. The Weekly 200 – period MA was at USD 80.02, with price in divergence, meaning we maintain our view (based on the technical) that the futures were considered a high risk sell at these levels.
- The futures sold lower after OPEC's plan to return barrels to the market (Bloomberg). The downside move means the divergence has failed with price closing below the weekly pivot level. We are below all key moving averages 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 79.37 with the RSI at or above 39 will mean price and momentum are aligned to the buyside. Upside move that fail at or below USD 82.30 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 suggest that momentum remains weak at this point. The divergence failure would suggest that intraday upside moves look like they could be countertrend in the near-term, warning there is potentially further downside in this corrective phase. We have closed below the weekly 200-period MA on the daily chart and now need to see a weekly close below that holds below the average to indicate downside continuation. As noted in the close report yesterday, we do have a 5-wave pattern lower on the higher timeframe Elliott wave cycle (time period 372 min candle) that is in divergence on our MACD. This is warning that we could see a momentum slowdown (after the intraday move highlighted above), meaning we do have a note of caution, as it means the futures could struggle to hold below the weekly MA in the near-term. If however, this higher timeframe divergence also fails, it will signal downside wave extension, meaning higher timeframe upside moves will be also considered as countertrend. Upside moves are considered as countertrend in the near-term.

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