



Brent Intraday Morning Technical

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

Brent Aug 24 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	77.50	R1	79.92	Stochastic oversold	RSI below 50
S2	75.96	R2	80.89		
S3	73.49	R3	82.21		

Synopsis—Intraday

Chart source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (36)
- Stochastic is oversold
- Price is above the daily pivot point 77.50
- Technically bearish yesterday, the MA on the RSI continued to suggest that momentum remained weak. 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 had closed below the weekly 200-period MA on the daily chart and noted that we needed to see a weekly close below that held below the average to indicate downside continuation. As noted in the close report previously, we did have a 5-wave pattern lower on the higher timeframe Elliott wave cycle (time period 372 min candle) that was in divergence on our MACD. This warned that we could see a momentum slowdown (after the intraday move highlighted above), meaning we did 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 failed, it would signal downside wave extension, meaning higher timeframe upside moves would be also considered as countertrend. Upside moves were considered as countertrend in the near-term.
- The futures traded to a low of USD 76.76 before finding light bid support. We are below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 77.50 with the RSI at or below 32 will mean price and momentum are aligned to the sell side. 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 RSI low on the 03/06 would suggest that upside moves should be considered as countertrend. However, the higher timeframe divergence has now failed, implying Elliott wave extension to the downside, implying that even after another move lower, upside moves will still be considered as countertrend. We are seeing a small move higher (circled) but note that we are seeing small-bodied candles, suggested buyside momentum is currently weak. This is warning that the USD 76.76 low remains vulnerable.

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