



Brent Intraday Morning Technical

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Brent Aug 24 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	81.93	R1	82.40	RSI above 50	Stochastic overbought
S2	80.29	R2			
S3	79.62	R3			

Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (59)
- Stochastic is overbought
- Price is above the daily pivot point 81.93
- Technically bearish based on our intraday Elliott wave analysis yesterday, near-term price action remained bullish above the 8-period EMA. The MA on the RSI was starting to flatten, indicating buyside pressure had softened a little; however, the futures remained above trend support with price close to our key resistance at USD 82.21. If broken, then the probability of the futures trading to a new low would start to decrease. A close below that held below trend support (USD 81.27) on the 4-hour candle would warn that buyside pressure was easing, whilst a close below the low of the last dominant bull candle (USD 80.11) would indicate the sell side pressure was increasing, warning that the USD 78.60 support could be tested and broken.
- The futures continued to move higher with price trading above the USD 82.21 resistance, the probability of the futures trading to a new low has now started to decrease. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 81.93 with the RSI at or below 53 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 78.70 will support a near-term bull argument, below this level the USD 76.76 fractal low will start to look vulnerable.
- Technically bearish, we now have a neutral bias due to the strength of the upside move; the MA on the RSI is implying momentum remains supported at this point. We are seeing smaller upside candles on the chart, implying buyside pressure is easing; however, the probability of the futures trading to a new low has started to decrease. In theory, based on our Elliott wave analysis, we were still expecting one more move to the downside. However, the issue now is, we had downside rejection on the weekly chart last week, whilst this week's candle is making a higher low and higher high. If we close the week above USD 81.65, the close on the weekly candle will be above the high of the low candle, and the 200-period weekly MA (USD 78.63). This will indicate that we have longer-term support in the market. Buyside momentum is slowing, but the technical is now suggesting caution on downside moves whilst we are above the USD 78.70 support.

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