



Brent Intraday Morning Technical

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Brent Aug 24 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	80.83	R1	82.68	RSI above 50	
S2	80.05	R2	83.25		
S3	79.00	R3	85.02		

Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (58)
- Stochastic is above 50
- Price is below the daily pivot point 82.61
- Technically bearish yesterday, we had a neutral bias due to the strength of the upside move; the MA on the RSI implied that momentum remained supported. We were seeing smaller upside candles on the chart, implying buyside pressure was easing; however, the probability of the futures trading to a new low had started to decrease. In theory, based on our Elliott wave analysis, we were still expecting one more move to the downside. However, we had downside rejection on the weekly chart last week, whilst the current week's candle was making a higher low and higher high. If we closed the week above USD 81.65, the close on the weekly candle would be above the high of the low candle, and the 200-period weekly MA (USD 78.63). This would indicate that we had longer-term support in the market. Buyside momentum was slowing, but the technical suggested caution on downside moves whilst we were above the USD 78.70 support.
- Having traded to a high of USD 83.34 the futures failed to hold above the 200-period MA (82.68), resulting in a small move lower. We remain above the 8-21 period EMA's with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 82.61 with the RSI at or above 60.5 will mean price and momentum are aligned to the buyside. Likewise, a close below this level with the RSI at or below 50 will mean that it is aligned to the sell side. Downside moves that hold at or above USD 79.00 will support a near-term bull argument, below this level the USD 76.76 fractal low will start to look vulnerable.
- Technically bearish with a neutral bias, we are seeing a momentum slowdown (based on price), warning we could see an intraday pullback. In theory, key support is at USD 79.00; however, market bulls will want to see the futures close above the USD 81.65 level on Friday 14/06, as that will imply buyside pressure is increasing on the weekly chart. If we do, then the USD 85.02 fractal high will start to look vulnerable; likewise, if we don't, we could see the Fibonacci support zone coming under pressure. As noted yesterday, the probability of the futures trading to a new low has started to decrease, based on the strength of the upside move.

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