



# Brent Intraday Morning Technical

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## Brent Aug 24 Morning Technical Comment – 240 Min



| Support | Resistance | Current Price | Bull         | Bear                |
|---------|------------|---------------|--------------|---------------------|
| S1      | R1         | 85.18         | RSI above 50 | Stochastic oversold |
| S2      | R2         |               |              |                     |
| S3      | R3         |               |              |                     |

### Synopsis—Intraday

Chart source Bloomberg

- Price are on the 8-21 period EMA's
- RSI is above 50 (52)
- Stochastic is oversold
- Price is below the daily pivot point 85.30
- Technically bullish last week, the MA on the RSI was flat, indicating that buy-side momentum was slowing down. The new high previously had failed to hold due to the negative divergence on the 1-hour chart, upside moves above USD 85.84 would create further negative divergences with the RSI. For this reason, we maintained our view that the futures were not considered a technical buy at these levels, as upside moves could struggle to hold.
- The futures have started to consolidate with price near its highs. We are above all key moving averages with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 85.66 with the RSI at or above 63 will mean price and momentum are aligned to the buy-side; likewise, a close below this level will mean it is aligned to the sell side. Downside moves that hold at or above USD 83.48 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI is implying that momentum is weak at this point whilst the futures are in divergence with the RSI. This is not a sell signal; it is a warning that we have the potential to see a momentum slowdown. However, our intraday Elliott wave analysis suggests that we have the potential to trade as high as USD 90.57 within this phase of the cycle. A cautious bull due to the divergence in play.

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