



Brent Intraday Morning Technical

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Brent Oct 24 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	76.45	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis—Intraday

Chart source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is above 50 (33)
- Stochastic is oversold
- Price is below the daily pivot point 78.15
- Technically bearish on Friday, the MA on the RSI implied that we had light momentum support. We did breach key downside support, but the futures had produced a bullish rejection candle that has been followed by a higher intraday close, indicating that there is underlying support in the market. The pullback suggests caution on upside moves, but price action warned that we could move higher. Technically we had a neutral view; however, we remained cautious on downside moves, as the upside move had been on the back of a positive divergence with the RSI, whilst downside moves look like they could struggle to hold due to the potential for further divergences at lower levels. We noted that we had Payroll figures, so it could get a little lively when they were released.
- The futures sold lowed on signs that the US economy is starting to weaken, resulting in price achieving new lows. The near-term divergence has now failed; however, the RSI is testing longer-term support. 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 78.15 with the RSI at or above 43 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 79.74 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 is implying that momentum remains weak at this point. The near-term divergence failure is warning that intraday upside moves now look like they could be countertrend. However, the RSI is testing longer-term support, warning we could be a little overextended to the downside at these levels. Our Elliot wave analysis is signalling that we are seeing a bearish wave extension, supporting the divergence failure that suggests upside moves look like they could be countertrend.

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