



Brent Intraday Morning Technical

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Brent Oct 24 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	76.72		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 (39)
- Stochastic is below 50
- Price is above the daily pivot point 76.68
- Technically bearish yesterday, the MA on the RSI implied that momentum remained weak. The near-term divergence failure warned that intraday upside moves looked like they could be countertrend. However, the RSI was testing longer-term support, warning we could be a little overextended to the downside. Our Elliot wave analysis is signalling that we were seeing a bearish wave extension, supporting the divergence failure that suggests upside moves look like they could be countertrend.
- The futures traded to a low of USD 75.05 before producing a bullish rejection candle on the daily chart to close at USD 76.30; however, the futures are selling lower again this morning. We are below all key moving averages with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 76.68 with the RSI at or below 35 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buyside. Upside moves that fail at or below USD 79.51 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, despite the RSI being above its average. The bullish rejection candle on the daily chart is indicating that we have support at lower levels; however, intraday Elliott wave analysis continues to indicate that upside moves should be considered as countertrend at this point, making USD 79.51 the key resistance to follow. A move above this level will warn that the probability of the futures trading to a new low has started to decrease. We are cautious on downside moves at these levels, as the rejection candle is warning that we could be vulnerable to an intraday move higher. The 50% retracement of yesterday range is at USD 76.40, this area has the potential to be an area of interest for market buyers, as intraday traders will look to buy the rejection candle pullback whilst running stops below the 75.05 low, as it reduces their risk exposure.

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