



Brent Intraday Morning Technical

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Brent Nov 24 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	71.59	R1	74.20	71.64	RSI below 50
S2	70.69	R2	74.80		
S3	69.60	R3	76.10		

Synopsis—Intraday

Chart source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is below 50 (38)
- Stochastic is below 50
- Price is above the daily pivot point 71.59
- Technically bearish yesterday, the futures were on an Elliott wave 5 of this phase of the cycle, with a potential downside target as low as USD 68.52. We noted that if we did achieve our downside target, then we could potentially be looking at a wave extension within the existing trend, as the lower timeframe oscillator cross was marginal. However, we were seeing a higher timeframe wave cycle in play, meaning upside moves should be considered as countertrend. The futures were in divergence with the RSI, implying caution on downside moves at these levels. Above USD 74.20 the futures would be bullish based on price, implying the lower timeframe wave cycle has completed, meaning we will be in a higher timeframe countertrend wave 4.
- The futures had a test to the downside but failed to make a new low. We are now between the 8-21 period EMA with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 71.59 with the RSI at or below 33.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 77.86 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 we have light momentum support. Downside moves below USD 70.61 will create a positive divergence with the RSI, not a buy signal, it is a warning that we have the potential to see a momentum slowdown, meaning we are cautious on downside breakouts to new lows. Our wave analysis is suggesting we are on wave 5 of this phase of the cycle; however, there is a larger bear cycle in play, meaning upside moves look like they should in theory be countertrend. As noted yesterday, if we do achieve our near-term downside target of USD 68.52, then the lower timeframe wave cycle will probably have seen a wave extension. A move above USD 74.20 will confirm that the lower timeframe wave cycle has completed. A cautious bear.

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