



Brent Intraday Morning Technical

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Brent Nov 24 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	74.57	R1	77.20	RSI above 50	Stochastic overbought
S2	73.07	R2	78.83		
S3	72.23	R3	81.59		

Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (61)
- Stochastic is overbought
- Price is on the daily pivot point 74.57
- Unchanged on the technical yesterday, we remained bearish with our Elliott wave analysis suggesting that upside moves looking like they would be countertrend. As noted on Friday, we remained cautious on upside breakouts above USD 75.18 as it would cause a lower timeframe negative divergence with the RSI.
- The futures corrected into the close yesterday; however, we are moving higher this morning on the back of the Chinese stimulus package. Price is above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 74.57 with the RSI at or below 56 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 77.20 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Conversely, downside moves that hold at or above 71.09 will support a near-term bull argument, below this level the USD 68.68 fractal low will start to look vulnerable.
- Technically bearish, the upside move means that the 1-hour divergence has failed, warning that we could test the 200-period MA at USD 76.24. A close above that holds above the MA will further support a buyer's argument, meaning the USD 77.20 resistance could be tested and broken. If it is, then the probability of the futures trading to a new low will start to decrease, meaning we have a higher chance of the bearish Elliott wave cycle failing. If we reject the average, then support levels will remain vulnerable. Price is moving higher on Middle – East tensions and Chinese stimulus, meaning that is a greater chance of the bear cycle failing.

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