



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	75.11	RSI above 50	
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 (56)
- Stochastic is above 50
- Price is above the daily pivot point 74.98
- Technically bearish yesterday, the upside move meant that the 1-hour divergence had failed, warning that we could test the 200-period MA at USD 76.24. A close above that held above the MA would further support a buyer's argument, meaning the USD 77.20 resistance could be tested and broken. If it was, then the probability of the futures trading to a new low would start to decrease, meaning we had a higher chance of the bearish Elliott wave cycle failing. If we rejected the average, then support levels would remain vulnerable. Price was moving higher on Middle – East tensions and Chinese stimulus, meaning that was a greater chance of the bear cycle failing.
- The futures traded to a high of USD 75.87 before seeing a slight pullback. We are above the 8-21 period EMA's with the RSI above 50, intraday price and momentum are now conflicting.
- A close on the 4-hour candle above USD 74.98 with the RSI at or above 59 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 54.5 will mean it is 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 71.12 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 yesterday has created a negative divergence with the RSI whilst price is below the 200-period MA (USD 76.13). As noted previously, rising tensions in the ME and China stimulus are keep the market supported, warning we could move higher. However, from a technical perspective, we are cautious on upside moves at these levels, as the divergence suggests they could struggle to hold.

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