



Brent Intraday Morning Technical

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Brent Jan 25 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	71.78	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis—Intraday

Chart source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is below 50 (45)
- Stochastic is oversold
- Price is above the daily pivot point 71.45
- Unchanged on the technical on Friday, we remained bearish with price moving lower. However, due to the downside daily rejection candle we were cautious on moves lower at that point.
- The futures have sold lower with price trading below the USD 70.72 level by two cents; however, we have found bid support on a positive divergence with the RSI, price is between the 8-21 period EMA's with the RSI below 50. Intraday price and momentum are aligned to the sell side, as the previous candle close was below the daily pivot level whilst the RSI was below its average.
- A close on the 4-hour candle above USD 71.45 with the RSI at or above 45.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 74.36 will leave the futures vulnerable to further tests to the downside, above this level the Elliott wave cycle will have a neutral bias.
- Technically bearish, the futures are moving higher due to a positive divergence with the RSI. Lower timeframe Elliott wave analysis suggests we have the potential for one more test to the downside within this phase of the cycle; however, due to the divergence, we have a note of caution on downside breakouts below USD 70.70. Key resistance is at USD 74.36, upside moves that fail at or below this level will warn that there could be a larger, bearish, Elliott wave cycle in play.

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