



Brent Intraday Morning Technical

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Brent Jan 25 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	73.85	R1	75.05	74.49	RSI above 50	Stochastic overbought
S2	73.28	R2	76.24			
S3	72.79	R3	76.54			

Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (57)
- Stochastic is overbought
- Price is above the daily pivot point 73.85
- Technically bullish on Wednesday, the intraday sell off relating to the Iran's Uranium enrichment program had left me uncertain on the close previously; however, price was moving higher, whilst the MA on the RSI implied that momentum was supported, so I maintained my view that the USD 74.36 resistance looks like it could be tested and broken.
- We have traded above the USD 74.63 resistance, meaning the probability of the futures trading to a new low has started to decrease. We are above the 8-21 period EMA with the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 73.85 with the RSI at or below 53 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 72.12 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI is implying that we have light momentum support. We have broken key resistance, meaning the probability of the futures trading to a new low has started to decrease. However, we are now trading on the 200-period MA (USD 74.34), meaning price is at an inflection point, as this is a benchmark average. A close above that holds above the average will support a buyer's argument; likewise, a close below that holds below it, will warn that we could see an intraday test to the downside. If we do, then USD 72.12 will be the key support to follow, if this level holds, it will warn that there is a possibly a larger bullish Elliott wave cycle in play. If we see a daily close below USD 73.42, then it will warn that sell side pressure is increasing, warning support levels could come under pressure. We are bullish, and have broken a key resistance, but the we are now in divergence on the 1-hour chart, warning the futures are due a technical pullback, meaning we are cautious on moves higher today.

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