



# Brent Intraday Morning Technical

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## Brent Jan 25 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	74.67	R1	74.69	RSI above 50	Stochastic overbought
S2	73.28	R2			
S3	72.79	R3			

### Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (56)
- Stochastic is overbought
- Price is on the daily pivot point 74.67
- Technically bullish on Friday, the MA on the RSI implied that we had light momentum support. We had broken key resistance, meaning the probability of the futures trading to a new low had started to decrease. However, we were trading on the 200-period MA (USD 74.34), meaning price was at an inflection point, as this was a benchmark average. A close above that held above the average would support a buyer's argument; likewise, a close below that held below it, would warn that we could see an intraday test to the downside. If we did, then USD 72.12 would be the key support to follow, if this level held, it would warn that there was a possibly a larger bullish Elliott wave cycle in play. We noted that if we saw a daily close below USD 73.42, it would warn that sell side pressure was increasing, warning support levels could come under pressure. We were bullish, and have broken a key resistance, but we were in divergence on the 1-hour chart, warning the futures were due a technical pullback, meaning we were cautious on moves higher on Friday.
- The futures sold to a low of USD 73.43 on the back of the 1-hour divergence with the RSI; however, the downside move failed to hold, resulting in price closing back above the 200-period MA. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are conflicting, as price has sold lower in the Asian day session.
- A close on the 4-hour candle above USD 74.67 with the RSI at or above 59.5 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 55 will mean it is 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 be back in bearish territory.
- Technically bearish with a neutral bias, the probability of the futures trading to a new low is starting to decrease, making USD 72.12 the key support to follow. Lower timeframe Elliott wave analysis is warning that we could have one more test to the upside within this phase of the cycle; however, the futures remain in divergence with the RSI, meaning we maintain a cautious view on upside moves at these levels, as they could struggle to hold above USD 75.41. We should note that the weekly close has produced a bullish engulfing candle, implying there is an underlying support in the market on the higher timeframe, warning that there maybe a larger, bullish Elliott wave cycle in play.

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