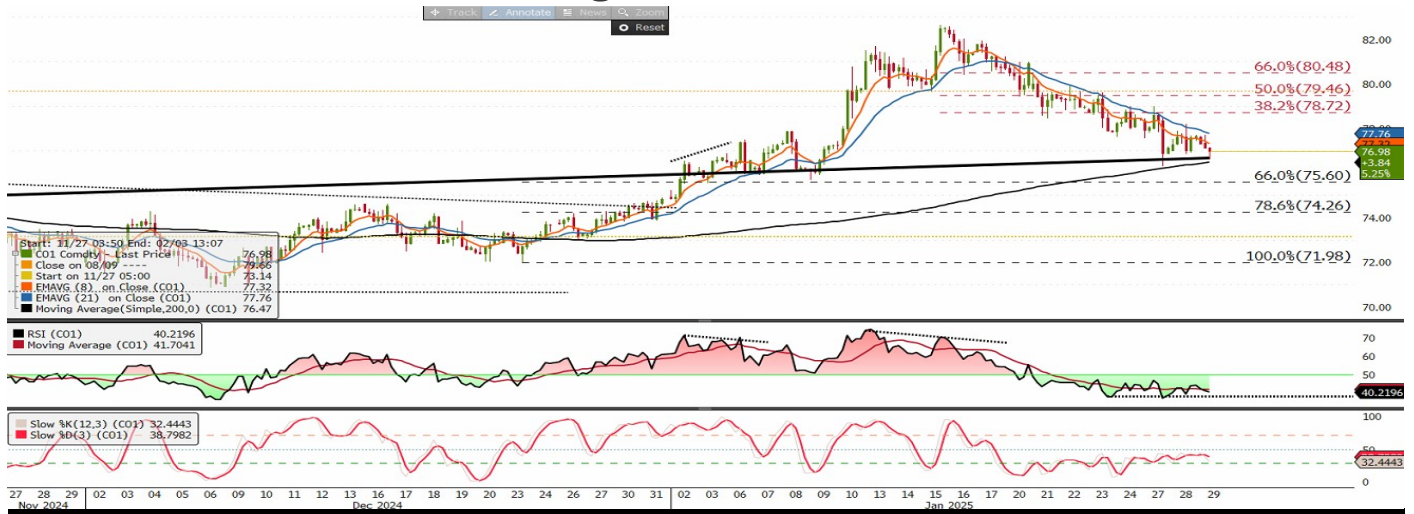




Brent Intraday Morning Technical

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

Brent Mar 25 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	76.66	R1	77.51		RSI below 50
S2	76.47	R2	78.72		
S3	75.60	R3	79.46		
			76.98		

Synopsis—Intraday

Chart source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (40)
- Stochastic is below 50
- Price is below the daily pivot point 77.51
- Technically bearish yesterday, the divergence failure warned that intraday upside moves had the potential to be countertrend in the very near-term. We noted that we had a support zone forming between USD 76.61 – USD 76.31 (200-period MA and the Linear Regression line), meaning we were cautious on moves lower whilst above this zone. If we closed below and held below USD 76.31, then the probability of the USD 75.60 support being broken would increase; if it was, then the probability of the futures trading to a new high would decrease. In theory, Elliott wave analysis suggests downside moves should be considered as countertrend; however, wave analysis within the correction was very unclear at that point.
- The futures traded to a high of USD 78.18 before selling to a low of USD 76.59. We remain below the 8-21 period EMA's with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 77.51 with the RSI at or above 44 will mean price and momentum are aligned to the buyside. Likewise, a close below this level with the RSI at or below 39.5 will mean it is aligned to the sell side. Downside moves that hold at or above USD 75.60 will support a bull argument, below this level the technical will have a neutral bias. Conversely, upside moves that fail at or below USD 80.48 will warn that there could be further downside within the corrective phase.
- Unchanged on the technical today. We continue to hold above the liner regression/200-period MA support zone (USD 76.66 – USD 76.47), meaning we maintain a note of caution on moves lower whilst above the zone. If we close below and hold below USD 76.47, then the probability of the USD 75.60 support being broken will increase; if it is, then the probability of the futures trading to a new high will decrease. In theory, Elliott wave analysis suggests downside moves should be considered as countertrend; however, wave analysis within the correction remains unclear at this point.

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