



Brent Intraday Morning Technical

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Brent April 25 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	72.89	R1	73.68	Stochastic oversold	RSI below 50
S2	72.26	R2	73.98		
S3	71.47	R3	74.39		

Synopsis—Intraday

Chart source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (36)
- Stochastic is oversold
- Price is below the daily pivot point 73.68
- Technically bearish yesterday, the MA on the RSI implies momentum remains weak, despite the RSI being above its average. As noted previously, we had a note of caution on upside moves in the near-term, meaning support levels were vulnerable, a view we maintained today. The technical was unchanged; however, we noted that the move higher on the Asian open was due to The US stepping up pressure on Iran, any further rhetoric could support the market. If we did trade to a new low, then the RSI had the potential to create positive divergence with the RSI, it was too early to tell, but needed to be monitored.
- With no further rhetoric regarding Iran, the futures did follow the technical to a new low. The downside moves was supported by the RSI making new lows, meaning we did not get a positive divergence. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 73.68 with the RSI at or above 42.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 74.39 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI implies we have light momentum weakness, the new low created by the RSI suggests that upside moves should be considered as countertrend, making USD 74.39 the key resistance to follow. If broken, the probability of the futures trading to a new low will start to decrease. Downside move below USD 72.70 do have the potential to create a positive divergence with the RSI; like yesterday, it is a little early to tell, as it could be marginal. Just an observation, on the higher timeframe, if you look at the weekly chart, we have a double top below the 200-period MA, warning the longer-term low at USD 68.68 could eventually be tested and broken.

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