



Brent Intraday Morning Technical

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Brent April 25 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	72.85	R1	73.49	Stochastic oversold	RSI below 50
S2	72.15	R2	74.28		
S3	71.33	R3	75.26		

Synopsis—Intraday

Chart source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is below 50 (41)
- Stochastic is oversold
- Price is below the daily pivot point 72.85
- Technically bearish yesterday, the MA on the RSI implied that we had light momentum weakness. We note that the new low created by the RSI suggested 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 would start to decrease. Downside move below USD 72.70 did have the potential to create a positive divergence with the RSI; like yesterday, it was a little early to tell, as it could be marginal. We made an observation that on the higher timeframe, if you looked at the weekly chart, we had a double top below the 200-period MA, warning the longer-term low at USD 68.68 could eventually be tested and broken.
- The futures traded to a low of USD 72.20, creating in a minor divergence with the RSI, resulting in a small move higher on the open today. We are between the 8-21 period EMA's with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 72.85 with the RSI at or below 35 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 74.28 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the futures are moving higher on a positive divergence with the RSI. However, our intraday Elliott wave analysis suggests that upside moves should in theory be countertrend, making USD 74.28 the key resistance to follow. If broken, then the probability of the futures trading to a new low will start to decrease. Although we are moving higher on the divergence, we are cautious on upside moves at this point.

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