



Brent Intraday Morning Technical

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Brent May 25 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	70.52	R1	70.82	Stochastic oversold	RSI below 50
S2	69.50	R2			
S3	68.21	R3			

Synopsis—Intraday

Chart source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (35)
- Stochastic is oversold
- Price is below the daily pivot point 72.11
- Technically bearish yesterday, the futures had traded to a new low, before finding bid support on a positive divergence with the RSI, resulting in a bullish intraday rejection candle. The RSI was below its MA; however, the MA continues to suggest that momentum was supported. Due to the divergence and rejection candle, we had a note of caution on moves lower, as the technical suggests that resistance levels were vulnerable.
- The futures produced sideways action with the downside rejection candle being countered by an upside rejection candle. However, after the EU close report was written last night, OPEC came out with a surprise move on easing quotas, resulting in price selling lower. 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 72.11 with the RSI at or above 42 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 72.98 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 is implying momentum is weak. The downside move last night has resulted in the divergence failing, this has also created a bearish Elliott wave extension, meaning upside moves should be considered as countertrend. As noted last week, our longer-term view on this technical is that the USD 68.68 fractal low on the weekly chart will be tested and broken.

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