



Brent Intraday Morning Technical

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Brent May 25 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	69.50	R1	70.75	Stochastic oversold	RSI below 50
S2	68.21	R2	71.47		
S3	67.12	R3	72.01		

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 70.75
- Technically bearish yesterday, the MA on the RSI implied that momentum was weak. The downside move previously had resulted in the divergence failing, this had 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 was that the USD 68.68 fractal low on the weekly chart would be tested and broken.
- The futures had a small move higher yesterday; however, price has failed to hold, resulting in a move lower this morning. 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 70.75 with the RSI at or above 39.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 72.73 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the upside move yesterday has not been deep enough to qualify as an Elliott correction (using our methodology), as our lower timeframe oscillators failed to cross, meaning we maintain our view that upside moves should be considered as countertrend. The MA on the RSI implies momentum remains weak, suggesting the USD 69.75 fractal low will be tested in the near-term. Our weekly technical continues to suggest we should trade below the USD 68.68 level. If we do trade above the USD 72.73 resistance, then the probability of the futures trading to a new low will start to decrease.

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