



Brent Intraday Morning Technical

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Brent May 25 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	68.21	R1	69.62	Stochastic oversold
S2	67.12	R2	70.60	
S3	66.56	R3	71.29	
		69.60	RSI below 50	

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 69.62
- Technically bearish yesterday, the upside move previously had not been deep enough to qualify as an Elliott correction (using our methodology), as our lower timeframe oscillators failed to cross, meaning we maintained our view that upside moves should be considered as countertrend. The MA on the RSI implied momentum remained weak, suggesting the USD 69.75 fractal low would be tested in the near-term. Our weekly technical continued to suggest we should trade below the USD 68.68 level. If we did trade above the USD 72.73 resistance, then the probability of the futures trading to a new low will start to decrease.
- The futures sold to a low of USD 68.33 yesterday before finding bid support on the close. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are now conflicting.
- A close on the 4-hour candle below USD 69.62 with the RSI at or below 33.5 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buy side. Upside moves that fail at or below USD 72.24 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 has started to flatten, warning sell side momentum is slowing down. However, our Elliott wave analysis remains unchanged and suggests that upside moves should be considered as countertrend. Above USD 72.24 will mean that the probability of the futures trading to a new low will start to decrease; likewise, Fibonacci projections suggest we have the potential to trade as low as USD 66.56 within this phase of the cycle. We maintain a cautious view on upside moves at this point.

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