



Brent Intraday Morning Technical

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Brent May 25 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	69.35	R1	71.29	70.66	RSI below 50
S2	68.21	R2	72.24		
S3	67.12	R3	72.99		

Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is below 50 (46)
- Stochastic is below 50
- Price is below the daily pivot point 69.35
- Technically bearish yesterday, the MA on the RSI had started to flatten, warning sell side momentum was slowing down. However, our Elliott wave analysis remained unchanged and suggested that upside moves should be considered as countertrend. A move above USD 72.24 would mean that the probability of the futures trading to a new low would start to decrease; likewise, Fibonacci projections suggested we had the potential to trade as low as USD 66.56 within this phase of the cycle. We maintained a cautious view on upside moves at that point.
- The futures have found bid support on the slowing momentum, resulting in price trading into the Fibonacci resistance zone. We are above 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 69.35 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 72.24 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Unchanged on the technical today, the futures are moving higher on the slowing momentum; however, our Elliott wave analysis continues to suggest that upside moves should be considered as countertrend, making USD 72.99 the key resistance to follow. If broken, then the probability of the futures trading to a new low will start to decrease. We are seeing bid support, but maintain a note of caution on higher moves at this point.

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