



# Brent Intraday Morning Technical

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## Brent May 25 Morning Technical Comment – 240 Min



| Support | Resistance | Current Price | Bull | Bear         |
|---------|------------|---------------|------|--------------|
| S1      | R1         | 69.87         |      | RSI below 50 |
| S2      | R2         |               |      |              |
| S3      | R3         |               |      |              |

### Synopsis—Intraday

Chart source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is below 50 (45)
- Stochastic is below 50
- Price is above the daily pivot point 69.69
- Technically bearish yesterday, the MA on the RSI implied that momentum was supported at that point. Our Elliott wave analysis continued to suggest that upside moves look like they could be countertrend, making USD 72.24 the key resistance to follow. If broken, then the probability of price trading to a new low would start to decrease. A close on the daily chart below USD 69.79 would warn that buyside pressure was fading, leaving the USD 68.33 fractal low vulnerable.
- The futures closed below the USD 69.79 level yesterday resulting in the futures trading to a low of USD 68.63 on the open; however, price is now seeing bid support. We are between the 8-21 period EMA's with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 69.69 with the RSI at or below 42 will mean price and momentum are aligned to the sell side; likewise, a close above this level with the RSI at or above 46.5 will mean it is aligned to the buyside. 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.
- The futures have sold lower but remain above the USD 68.33 level, meaning we maintain our view that upside moves should be considered as countertrend at this point. A close above that holds above the linear regression line (USD 70.43) will warn that the Fibonacci resistance zone could come under pressure in the near-term. If we do trade above the USD 72.24 level, then the probability of the futures trading to a new low will start to decrease.

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