



Brent Intraday Morning Technical

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

Brent May 25 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	71.18	R1	72.24	RSI above 50	Stochastic overbought
S2	70.72	R2	72.99		
S3	70.26	R3	74.26		

Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (59)
- Stochastic is overbought
- Price is above the daily pivot point 71.18
- Technically bearish yesterday, the futures continued to move higher on the momentum support, meaning the USD 72.24 resistance was looking vulnerable. If we rejected it, we would target the linear regression line at USD 69.65; however, if key resistance was broken, then the probability of the futures trading to a new low within this phase of the cycle would start to decrease. We noted that there was a larger, bearish Elliott wave cycle in play, meaning we maintained our view that upside moves should be considered as countertrend, regardless of the USD 72.24 resistance being broken.
- The futures have moved higher; however, the move is now also due to rising tensions in the Middle East. We are above the 8-21 period EMA's with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 71.18 with the RSI at or below 51 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.
- Technically bearish, price is below but testing the USD 72.24 resistance, if broken, then the probability of the futures trading to a new low within this phase of the cycle will start to decrease. However, as noted previously, there is a larger, bearish Elliott wave cycle in play, meaning upside moves will still be considered as countertrend. The rising M-East tensions could alter the course of this technical; however, at this point it is too early to tell.

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