

FIS Brent Intraday Morning Technical

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Brent May 25 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	70.32	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis—Intraday

Chart source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (46)
- Stochastic is oversold
- Price is below the daily pivot point 71.01
- Technically bearish yesterday, price was 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 would start to decrease. However, as noted previously, there was a larger, bearish Elliott wave cycle in play, meaning upside moves would still be considered as countertrend. We noted that the rising M-East tensions could alter the course of this technical; however, at that point it was too early to tell.
- Having traded to a high of USD 72.19 the futures sold lower for the remainder of the session. We are below the 8-21 period EMA's 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 71.01 with the RSI at or above 54 will mean price and momentum are 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.
- Technically bearish, the upside rejection yesterday does suggest that support levels are vulnerable. However, the current candle and the three candles preceding it have seen a series of small bodies, suggesting sell side pressure is easing. This is warning the USD 69.64 support could hold in the near-term, leaving resistance levels vulnerable. If however we trade below the USD 69.64 level, it will indicate that the USD 68.33 support could be tested and broken. Based on recent price action, we are a little cautious on moves lower, as price action warns we could see an intraday move higher. As noted previously, our Elliott wave analysis suggests upside moves should be considered as countertrend.

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