



Brent Intraday Morning Technical

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Brent May 25 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	73.63	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (66)
- Stochastic is overbought
- Price is above the daily pivot point 73.03
- The near-term technical remained bearish with a neutral bias yesterday; however, the strength of the upside move had brought the higher timeframe Elliott wave cycle into focus. We noted that if we traded above USD 74.15, then the probability of the futures trading to a new low on the higher timeframe would start to decrease, whilst above USD 74.26, intraday price action would be considered as bullish. Price was now above the intraday 200-period MA (USD 72.93), if we held above the average then resistance levels could be tested and broken. Likewise, a close below the MA would warn support levels could come under pressure; however, we had polarity support between USD 72.51—USD 72.39, meaning we would need to close below the average and the polarity support for downside continuation.
- The futures traded to a low of USD 72.50, held polarity support with price trading back to a new high. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 73.03 with the RSI at or below 60.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 71.20 will support a bull argument, below this level the technical will be back in bearish territory.
- Technically bearish with a neutral bias, the MA on the RSI indicates momentum is supported at this point. We are above all key moving averages having held polarity support yesterday, warning the USD 74.15 resistance is starting to look vulnerable. If broken, then the probability of the larger Elliott wave cycle trading to a new low will start to decrease. However, the RSI is now in divergence with price, not a sell signal, it warns that we could see a momentum slowdown. We have a note of caution on moves higher whilst the divergence is in play; if it fails, then we could see the USD 74.15 resistance be tested and broken.

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