

FIS 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	72.54	R1	73.68	RSI above 50	Stochastic overbought
S2	72.04	R2	74.15		
S3	71.35	R3	75.26		

Synopsis—Intraday

Chart source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is above 50 (61)
- Stochastic is overbought
- Price is below the daily pivot point 73.68
- Technically bearish with a neutral bias yesterday, the MA on the RSI indicated that momentum was supported. We were above all key moving averages having held polarity support previously, 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 would start to decrease. However, the RSI was in divergence with price, not a sell signal, it warned that we could see a momentum slowdown. We had a note of caution on moves higher whilst the divergence is in play; if it failed, then we could see the USD 74.15 resistance be tested and broken.
- The futures traded higher, the divergence failed and the USD 74.15 resistance was breached; However, the futures have seen a small pullback as price has rejected a polarity resistance point. Price is between the 8-21 period EMA's with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 73.68 with the RSI at or above 66 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 71.35 will support a bull argument, below this level the technical will be back in bearish territory.
- Technically we are neutral, as the futures have traded above two key resistance levels on our Elliott wave cycles. Near-term price action is bullish but entering a corrective phase, having rejected polarity resistance; however, we have a support zone between USD 72.51—USD 72.39, making this a near-term target for market sellers. If we close above and hold above USD 74.26, then it will warn of upside continuation, as the lower timeframe Elliott wave cycle will enter bullish territory. Likewise, downside moves below USD 72.50 will warn that the USD 71.35 Fibonacci support could come under pressure.

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