



Brent Intraday Morning Technical

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Brent May 25 Morning Technical Comment – 240 Min



| | Support | Resistance | Current Price | Bull | Bear |
|----|---------|------------|---------------|--------------|-----------------------|
| S1 | 74.49 | R1 | 75.39 | RSI above 50 | Stochastic overbought |
| S2 | 74.24 | R2 | 76.07 | | |
| S3 | 73.90 | R3 | 76.75 | | |

Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (64)
- Stochastic is overbought
- Price is above the daily pivot point 74.24
- Technically bullish yesterday, the MA on the RSI implied that we had light momentum weakness, whilst the RSI is in divergence with price, warning buyside momentum could slow. With price below polarity resistance whilst in divergence, we are cautious on moves higher.
- The futures have traded above and closed the polarity resistance (USD 74.26 – USD 74.15) yesterday, resulting in price trading to a high of USD 74.41. 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 74.24 with the RSI at or below 59.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 73.90 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI is now flat, indicating momentum is neutral; however, the RSI is still in divergence with price, warning we could still see a momentum slowdown. Based on the intraday technical now being bullish, our Fibonacci projection levels suggest we could trade as high as USD 76.75 within this current move higher. Key support is at USD 73.90, downside moves below this level will warn that the probability of the futures trading to a new high has started to decrease. We are bullish and above polarity support; however, the divergence needs to be monitored.

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