

Brent June 25 Morning Technical Comment – 240 Min



| Support | | Resistance | | Current Price | Bull | Bear |
|---------|-------|------------|-------|---------------|---------------------|--------------|
| S1 | 61.17 | R1 | 66.57 | | | |
| S2 | 57.53 | R2 | 67.40 | | | |
| S3 | 54.02 | R3 | 68.36 | | | |
| | | | | 63.37 | Stochastic oversold | RSI below 50 |

Synopsis—Intraday

Chart source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (20)
- Stochastic is oversold
- Price is below the daily pivot point 66.57
- We noted on Fridays weekly report that the daily technical was in divergence, but this cycle was not finished. Upside moves were considered as countertrend, suggesting resistance levels should hold if tested, meaning support levels were vulnerable. There had been a strong impulse move lower; however, we had not seen a higher timeframe Elliott wave extension at that point, and noted that if we started trading below USD 66.63 and testing the USD 64.23 level, we might (probably would). We were below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- The futures have continued to sell lower, resulting in the Elliott wave extension that we highlighted on the weekly report. Price is below all key moving averages 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 66.57 with the RSI at or above 24.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 70.75 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI indicates that momentum remains weak; however, there is a minor divergence in play, warning we could see a momentum slowdown, this will need to be monitored. The downside move to a new low means the higher timeframe Elliott wave cycle is back in play, meaning upside moves should now be considered as countertrend. If we see a close on the daily candle above the weekly pivot level (USD 68.36), it will indicate that buyside pressure is increasing; however, based on our wave analysis, the technical suggests that upside moves will struggle to hold. Based, on longer-term Fibonacci projection levels, we have a near-term downside target at USD 61.17; if broken, the USD 57.53—USD 54.02 support levels will become vulnerable.