

Brent July 25 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	59.85	R1	61.85	61.43	RSI below 50	
S2	58.40	R2	62.88			
S3	55.63	R3	64.28			

Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is below 50 (44)
- Stochastic is above 50
- Price is below the daily pivot point 59.85
- Unchanged on the technical on Friday, the futures remained in a bearish trending environment with the RSI implying momentum is weak. We were yet to see an intraday pullback, meaning upside moves were still considered as counter-trend at that point. If we traded above USD 64.78 it would warn that the lower timeframe Elliott wave cycle was turning neutral; however, the larger wave cycle remains bearish below USD 69.66. The gap lower on the open below the USD 61.88 level, meant that the USD 58.40 fractal low looked like it would be tested and broken.
- Having gapped lower on the open on Friday, the futures produced a technical pullback to USD 62.72, this was followed by price trading to a low of USD 58.50 on Monday. We are seeing bid support this morning, meaning price is just above the 8-21 period EMA's with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 59.85 with the RSI at or below 36 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 64.28 will leave the futures vulnerable to further tests to the downside, above this level the USD 67.57 fractal resistance will start to look vulnerable. Key resistance remains unchanged at USD 69.66.
- Technically bearish, the futures are moving higher on an intraday divergence with the RSI, whilst the lower timeframe Elliott wave cycle looks like it may have completed, warning resistance levels are starting to low like they could come under pressure. However, the futures have failed to trade below the USD 58.40 fractal low, meaning the higher timeframe bearish wave cycle remains in play, making USD 69.66 the key resistance to follow at this point.