

Brent July 25 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	61.71	R1	64.48	Stochastic at 50
S2	61.43	R2	65.29	
S3	60.87	R3	67.57	

Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is at 50 (50)
- Stochastic is above 50
- Price is above the daily pivot point 61.71
- Technically bearish yesterday, the futures were moving higher on an intraday divergence with the RSI, whilst the lower timeframe Elliott wave cycle looked like it may have completed, warning resistance levels were starting to look like they could come under pressure. However, the futures had failed to trade below the USD 58.40 fractal low, meaning the higher timeframe bearish wave cycle remained in play, making USD 69.66 the key resistance to follow at that point.
- The futures have continued to trade higher on the intraday divergence and completion of the lower timeframe Elliott wave cycle. We are above the 8-21 period EMA's with the RSI neutral at 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 61.71 with the RSI at or below 42.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 64.48 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, the higher timeframe Elliott wave cycle remains bearish below this level, and neutral above.
- The longer term Elliott wave cycle remains bearish, as does the daily timeframe. However, the upside move above USD 62.72 means that the intraday technical is bullish, meaning USD 60.11 is the key intraday support to follow. Downside moves that hold at or above this level will indicate that there is an underlying support in the market; if broken, then the USD 58.50—USD 58.40 fractal support zone should come under pressure. The RSI and price have broken resistance on the move higher, whilst the MA on the RSI implies momentum is supported at this point. This suggests that the Fibonacci support zone should hold if tested in the near-term.