

Brent July 25 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	63.82	R1	65.68	64.98	RSI above 50	
S2	62.86	R2	66.81			
S3	62.10	R3	67.57			

Synopsis—Intraday

Chart source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is above 50 (53)
- Stochastic is above 50
- Price is below the daily pivot point 65.04
- The downside move on the open on Thursday had broken fractal support (USD 66.63), meaning the intraday technical was back in bearish territory. A bearish Harami pattern on the daily timeframe had been followed by a breakaway gap lower on the open, whilst the MA on the RSI implied that momentum is weak. The downside breakout warned that the USD 62.86 support was vulnerable, if broken it would weaken the technical further. We noted previously that the divergence failure had warned that intraday downside moves could be countertrend in the near-term, the Harami pattern and gap lower made this less certain. The technical suggested caution on moves higher at that point.
- The move lower has held above the USD 63.82 Fibonacci support; however, price remains below the intraday 200-period MA (USD 65.26). Price is between the 8-21 period EMA's with the RSI above 50, intraday price and momentum are aligned to the buy side, as the previous candle closed above the daily pivot level.
- A close on the 4-hour candle below USD 65.04 with the RSI at or below 50 will mean price and momentum are aligned to the sell side. Key resistance remains unchanged at USD 69.66, the higher timeframe Elliott wave cycle remains bearish below this level and neutral above.
- Technically bearish, we continue to see mixed signals as the divergence failure warns that downside moves look like they could be countertrend; however, the break to the downside on the daily bearish Harami pattern brings this into question. If we close above the 200-period MA (USD 65.26) and trade above the USD 65.68 level (high of the bearish breakaway gap), then resistance levels will become vulnerable. Likewise, if we trade below USD 62.86, then it will indicate that sell side pressure is increasing.