



# Brent Intraday Morning Technical

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## Brent July 25 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	65.41	R1	66.81	66.09	RSI above 50	
S2	64.76	R2	67.57			
S3	63.82	R3	68.33			

### Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (58)
- Stochastic is above 50
- Price is above the daily pivot point 65.41
- The futures were consolidating within an ascending triangle pattern. Price action was neutral due to the consolidation; however, it did have a bullish bias due to the rising trend line. A close above that holds above the USD 65.68 level would warn that the USD 66.81 fractal high could come under pressure. Conversely, if we did see a close below that holds below the trend support line (USD 64.93), it would indicate that sell side pressure is increasing. We were neutral.
- The futures tested but failed to close below trend support yesterday with price moving higher and closing on the resistance line on the ascending triangle (USD 65.68). We have gapped higher on the open, meaning we have a bullish breakout to the upside. 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 65.61 with the RSI at or below 52.5 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.
- Near-term price action is bullish, the longer-term Elliott wave cycle is bearish, above USD 69.66 it become bearish/neutral, meaning the probability of the futures trading to a new low will start to decrease. The divergence failure last week had warned that downside support levels should hold; however, this was negated by the bearish Harami and bearish gap on the daily timeframe. The ascending triangle yesterday had a bullish bias, but whilst consolidating price action was considered as neutral. The open this morning has produced a bullish breakaway gap from the ascending triangle, in theory, there is a strong possibility that this gap will not get filled, as we are looking at a continuation pattern. The caveat is that price will be back in divergence with the RSI if we trade above USD 66.81, warning buyside momentum could slow down. Price is always the lead indicator, if this gap doesn't get filled, it will suggest upside continuation, meaning the 4-hour divergence should fail. If we close the gap before moving higher, then be mindful of the divergence. At this point, based on the breakout from the ascending triangle, the polarity resistance (highlighted on the chart USD 68.33—USD 68.74) is starting to look vulnerable.

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