

Brent Aug 25 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	69.25	R1	72.89	69.61	Stochastic oversold	RSI below 50
S2	66.93	R2	74.14			
S3	63.00	R3	74.45			

Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (62)
- Stochastic is overbought
- Price is above the daily pivot point 74.14
- Technically bullish on the last report, the move above USD 75.67 indicated that the USD 78.50 fractal high could be tested and broken. However, a new high would create a negative divergence with the RSI; not a sell signal, it warned that we could see a momentum slowdown, which would need to be monitored. Due to the divergence, we had a note of caution on upside breakouts, as the technical suggests they could struggle to hold.
- The futures traded to a high of USD 81.80; however, due to the divergence the upside move has failed to hold, resulting in price selling lower. We are below the 8-21 period EMA's with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 74.14 with the RSI at or above 53.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 76.67 will leave the futures vulnerable to further tests to the downside, above this level the Elliott wave cycle will be back in bullish territory.
- The Elliott wave cycle is bullish with a neutral bias, intraday price action is bearish due to the break in fractal support. The depth of the pullback is considered as deep, meaning the probability of price trading to a new high has decreased, this is supported by the RSI breaking support and making new lows. We are now cautious on moves higher, as the technical is suggesting that upside moves should in theory be countertrend.