



# Brent Intraday Morning Technical

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## Brent Aug 25 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	68.24	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

### Synopsis—Intraday

Chart source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (35)
- Stochastic is oversold
- Price is above the daily pivot point 68.05
- The Elliott wave cycle was bullish with a neutral bias yesterday, intraday price action was bearish due to the break in fractal support. The depth of the pullback was considered as deep, meaning the probability of price trading to a new high had decreased, this was supported by the RSI breaking support and making new lows. We were cautious on moves higher, as the technical suggested that upside moves should in theory be countertrend.
- The futures traded to a low of USD 66.82 before finding light bid support. We are below the 8-21 period EMA's with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 68.05 with the RSI at or above 41.5 will mean price and momentum are aligned to the buy side; likewise, a close below this level will mean it is aligned to the sell side. Upside moves that fail at or below USD 76.44 will leave the futures vulnerable to further tests to the downside, above this level the Elliott wave cycle will be back in bullish territory.
- Technically bearish, the driving force to Brent is outside of the usual market psychology, meaning we are going to discount the Elliott wave cycle for now. The MA on the RSI implies that momentum remains weak, whilst the depth of the pullback indicates that upside moves should be considered as countertrend. Price is above the intraday 200-period MA (USD 67.61), if we hold above the average, and price and momentum become aligned to the buy side, then we could see the 8-21 period EMA's come under pressure in the near-term. Based on the depth of the pullback, we remain cautious on upside moves at this point.

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