

Brent Nov 25 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	67.43	R1	68.47	67.57	Stochastic oversold	RSI below 50
S2	66.97	R2	68.69			
S3	65.94	R3	69.08			

Synopsis—Intraday

Chart source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (43)
- Stochastic is oversold
- Price is below the daily point USD 68.47
- Near-term intraday price action was bullish whilst yesterday, whilst the longer-term Elliott wave cycle is bearish with a neutral bias, meaning the probability of the futures trading to a new low had started to decrease. Having breached the daily 200-period MA (USD 70.08) the futures remained below it; we noted that the average at 70.08 held more weight than the Fibonacci resistance at USD 70.69. Although we had breached the USD 70.69 level, for upside continuation, the futures would need to close and hold above the longer-term daily average; failure to do so would leave support levels vulnerable. As noted previously, the upside move in price had been replicated by the RSI, suggesting, downside moves should in theory be countertrend, making USD 67.57 the key support to follow. If broken, the Elliott wave cycle would be back in bearish territory. We had seen an intraday move lower on the 1-hour divergence, warning support levels could come under pressure in the near-term.
- The futures sold lower with price breaching the USD 67.57 support, meaning we now have a neutral bias. Price is below the 8-21 period EMA's supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close below the 4—hour candle above USD 68.47 with the RSI at or above 57.5 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 69.62 will leave the futures vulnerable to further tests to the downside, above this level the intraday technical will be back in bullish territory.
- Technically bullish with a neutral bias, the probability of the futures trading to a new high has started to decrease. The MA on the RSI implies that momentum remains weak; however, price is approaching the intraday 200-period MA (USD 67.43); a close that holds below this level will further weaken the technical. Conversely, if the average holds, it will suggest there is intraday support in the market. The rejection of the daily 200-period MA (USD 70.04) has resulted in a pullback that has been deeper than expected, implying higher timeframe sellers entered the market, meaning we now have a note of caution on intraday upside moves.

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