

Brent Feb 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	62.17	R1	62.89	62.37	Stochastic oversold	RSI below 50
S2	61.60	R2	62.93			
S3	61.37	R3	64.09			

Synopsis—Intraday

Chart source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (41)
- Stochastic is oversold
- Price is below the daily point USD 62.93
- Technically bearish on Thursday, the MA on the RSI was flat implying momentum was neutral. We noted that a close that held above the resistance line (USD 63.26) would imply buyside pressure was increasing, leaving the intraday 200-period MA at USD 63.66 and the USD 63.91 resistance vulnerable. Above USD 63.91 the probability of the futures trading to a new low for this phase of the cycle would start to decrease. As highlighted previously, the futures initially moved higher on a positive divergence, whilst the daily chart was potentially in the process of producing a failed swing low, warning resistance levels were starting to look vulnerable. If we did trade below USD 62.17 intraday fractal support, then market longs should act with caution, as it will warn that sell side pressure is increasing.
- The futures traded to a high of USD 64.09; however, price has rejected the intraday 200-period MA (USD 63.83). We are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4—hour candle above USD 62.93 with the RSI at or above 52.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 67.12 will warn that there is a larger, bearish Elliott wave cycle in play.
- Technically bearish with a neutral bias, the MA on the RSI implies that momentum is weak at this point. price is now trading back in the falling channel, warning support levels are becoming vulnerable. Below USD 62.17 will indicate that sell side pressure is increasing, meaning the USD 61.60 fractal low could be tested. If broken, this will be below the support zone highlighted last week, indicating that market sellers are in control. For upside continuation, the futures are going to need to close and hold above the intraday 200-period MA.