

Brent Feb 26 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	60.97		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 (39)
- Stochastic is below 50
- Price is below the daily point USD 61.26
- Unchanged on the technical on Thursday. We remained bearish with price below the USD 61.60 fractal support. However, the futures were in divergence with the RSI on the 1-hour timeframe, meaning we were cautious on downside moves in the near-term whilst the divergence was in play. If the divergence failed, then we would target the USD 60.07 fractal low, and potentially the USD 58.11 level.
- The futures sold to a low of USD 60.77 resulting in the divergence failing. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the buyside, as the previous candle closed above the daily pivot level with the RSI below 50.
- A close on the 4—hour candle below USD 61.26 with the RSI at or below 39 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 62.96 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, downside moves below USD 60.77 have a potential to create a positive divergence with the RSI, not a sell signal it warns that we could see a momentum slowdown. However, our Elliott wave analysis suggested that upside moves should be considered as countertrend, making USD 62.96 the key resistance to follow. If broken, then the probability of the futures trading to a new low will start to decrease. Due to the potential divergence below USD 60.77 we are currently cautious on downside breakouts.