

Brent Feb 26 Morning Technical Comment – 240 Min



| Support | | Resistance | | Current Price | Bull | Bear |
|---------|-------|------------|-------|---------------|---------------------|--------------|
| S1 | 59.35 | R1 | 60.77 | 60.10 | Stochastic oversold | RSI below 50 |
| S2 | 59.32 | R2 | 61.40 | | | |
| S3 | 58.42 | R3 | 62.14 | | | |

Synopsis—Intraday

Chart source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is below 50 (41)
- Stochastic is oversold
- Price is above the daily point USD 59.35
- Technically bearish yesterday, the futures were testing the lower trend support line (USD 59.44), we noted that a close that held below this level would warn that the USD 58.11 fractal low could be tested and broken. The MA on the RSI implied that momentum was weak, whilst the RSI and price were both making new lows. We also noted that we have seen a lower timeframe bearish Elliott wave extension, meaning both momentum and market psychology suggested that upside moves should be considered as countertrend.
- Having traded to a low of USD 58.72 the futures have moved higher today due to instability around the Venezuela situation. We are back trading in the bearish channel with price between the 8-21 period EMA's. The RSI is below 50 with price and momentum aligned to the sell side.
- A close on the 4—hour candle below USD 59.35 with the RSI at or below 32 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 62.26 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, but in a corrective move higher, our Elliott wave analysis continues to suggest that upside moves should be considered as countertrend, making USD 62.26 the key resistance to follow. If broken, then the probability of the futures trading to a new low will start to decrease. Just a point of note, there is obviously a larger situation brewing between the US and Venezuela, if this escalates, it could cause the wave cycle to fail. At this point, based on the information in front of us, we are cautious on upside moves from a technical perspective.