

Brent Mar 26 Morning Technical Comment – 240 Min

Support	Resistance	Current Price	Bull	Bear
S1 64.14	R1 65.60	64.51	RSI above 50	
S2 63.31	R2 66.23			
S3 62.19	R3 66.74			

Synopsis—Intraday

Chart source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is above 50 (54)
- Stochastic is above 50
- Price is below the daily point USD 65.60
- Technical outlook: Bullish. We noted yesterday that the previous days rally had stalled at USD 65.92 on a high-volume candle, resulting in corrective price action on the open. The 1-hour RSI was divergent, implying near-term momentum weakness and warning of a corrective pullback that could test the Fibonacci support zone. Despite this, the integrity of the bullish structure remained intact on both the lower- and higher timeframe Elliott wave cycles. Key Fibonacci support was at USD 61.88, a move below this level would result in a deep pullback indicating that sell-side pressure had intensified and suggest we may struggle to revisit recent highs.
- The futures traded to a high of USD 66.82 on news that the USA was evacuating personnel from so Middle-East bases; however, price then corrected after news that imminent US intervention was looking less likely. We are now trading between the 8-21 period EMA's with the RSI still above 50, intraday price and momentum is aligned to the sell side.
- A close on the 4—hour candle above USD 65.60 with the RSI at or above 65 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 62.19 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Bullish but corrective. The rejection of the USD 66.74 resistance an a high-volume dominant bear candle suggest an increase in sell - side pressure. This is reinforced by the RSI moving averages, which signaling intraday momentum weakness. Despite this, the broader technical structure remains bullish but corrective in nature. We identify USD 62.19 as the key Fibonacci support to monitor. Corrective moves that hold above this level would help underpin market support; conversely, if broken the integrity of the bullish structure will be weakened. In such a scenario, then the probability of price achieving new highs would begin to decrease.