

Brent Mar 26 Morning Technical Comment – 240 Min

Support		Resistance		Current Price	Bull	Bear
S1	63.31	R1	65.60	64.70	RSI above 50	Stochastic overbought
S2	62.19	R2	66.05			
S3	61.31	R3	66.74			

Synopsis—Intraday

Chart source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is above 50 (53)
- Stochastic is overbought
- Price is on/below the daily point USD 64.77
- Technical outlook yesterday: Bullish but corrective. We anticipated that price could come under intraday pressure previously, but this did not materialise; however, the subsequent upside move failed to hold. Operating on the assumption that the broader structure remained a bullish Elliott wave impulse (albeit one catalysed by the Iranian uprising), downside moves should, in theory, be considered counter-trend. The failure to trade above the USD 65.60 Fibonacci resistance left the futures vulnerable to a more complex corrective structure, potentially unfolding as a W-X-Y pattern (two a-b-c corrections). This scenario would only be activated on a break below the USD 63.26 low. If triggered, the pattern would retain bullish implications, provided price continued to hold above the USD 62.19 Fibonacci support.
- The futures sold to a low of USD 63.61 before finding bid support, price is moving lower this morning, meaning we are trading between the 8-21 period EMA's. The RSI is above 50 with price and momentum aligned to the buyside, as the previous candle closed above the daily pivot level.
- A close on the 4-hour candle below USD 64.77 with the RSI at or below 52 will mean price and momentum are aligned to the sell side. 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.
- Elliott wave analysis implies downside moves should be considered as counter-trend. If we trade below USD 63.26 it will indicate we are looking at a W, X, Y, pattern highlighted previously, a bearish structure within a broader bullish trend providing price holds above the USD 62.19 level. A move above USD 65.60 would signal an increase in buy-side pressure, implying we could be in the early stages of a bullish impulse wave 5. If this is the case, than the corrective pattern would have been a simple a, b, c (currently marked as W). While between USD 65.60—USD 63.26, price action is considered as neutral.