

Brent Mar 26 Morning Technical Comment – 240 Min

Support	Resistance	Current Price	Bull	Bear
S1	65.49	R1	66.74	
S2	64.14	R2	67.93	
S3	63.31	R3	68.87	Stochastic overbought

Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (57)
- Stochastic is overbought
- Price is above the daily point USD 65.49
- Technical outlook previously: Bullish but corrective. We noted previously that Elliott wave analysis implied that downside moves should be considered as countertrend. If we traded below USD 63.26 it would indicate we are looking at a W, X, Y, pattern, a bearish structure within a broader bullish trend providing price held 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 was 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 was considered as neutral.
- The futures have seen an increase in buy-side pressure, resulting in the USD 65.60 resistance being breached. We are above all key moving averages supported by the RSI above 5, intraday price and momentum are aligned to the buy-side.
- A close on the 4-hour candle below USD 65.49 with the RSI at or below 53.5 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.
- The recent rally above USD 65.60 signals an intensification in buy-side pressure, warning the USD 66.82 fractal high could be tested and broken, this is in line with our Elliott wave analysis. However, we should note that the move higher lacks volume support, while above USD 66.82 the futures will be divergent with the RSI. Not a sell signal, it is a warning that buy-side momentum could slow on an upside breakout. Although the technical is bullish, it lacks conviction.