

Brent Mar 26 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	66.78	R1	68.26	
S2	66.28	R2	69.62	
S3	65.71	R3	71.36	

Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (60)
- Stochastic is overbought
- Price is above the daily point USD 66.78
- Technical outlook previously: Bullish. The recent rally above USD 65.60 signaled an intensification in buyside pressure, warning the USD 66.82 fractal high could be tested and broken, this was in line with our Elliott wave analysis. However, we noted that the move higher lacked volume support, while above USD 66.82 the futures would be divergent with the RSI. Not a sell signal, it warned that buy-side momentum could slow on an upside breakout. Although the technical is bullish, it lacked conviction.
- The futures have traded to a new high, confirming price has entered a bullish impulse wave 5 for this phase of the cycle. We are above all key moving averages supported by the RSI above 50. intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 66.78 with the RSI at or below 57 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 64.92 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Cautious bull.
- The upside move to a new high means that the futures are in divergence with the RSI, not a sell signal, it is a warning that we could see a momentum slowdown. We also note that volume remains subdued, suggesting a lack of intensity. Countering this, lower timeframe Elliott wave analysis does suggest we could see one more bullish impulse wave higher within this phase of the cycle, implying intraday downside moves should be considered as counter-trend, providing we do not breach the USD 64.92 Fibonacci support. If we do, then the probability of price trading to a new high will be reduced. The divergence will need to be monitored, it is for this reason we have a note of caution.