

Brent Mar 26 Morning Technical Comment – 240 Min

Support	Resistance	Current Price	Bull	Bear
S1	67.33	R1	71.36	
S2	66.78	R2	73.54	
S3	66.55	R3	75.41	Stochastic overbought

Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (72)
- Stochastic is overbought
- Price is above the daily point USD 66.78
- Technical outlook yesterday: Cautious Bull. The upside move to a new high meant that the futures were in divergence with the RSI, not a sell signal, it warned that we could see a momentum slowdown. We also noted that volume remained 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 countertrend, providing we do not breach the USD 64.92 Fibonacci support. If we did, then the probability of price trading to a new high would be reduced. The divergence needed to be monitored, it is for this reason we had a note of caution.
- The futures have continued to trade high following comments from President Trump regarding Iran. We remain above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 66.78 with the RSI at or below 64.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 65.50 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Bullish.
- A cautious bull yesterday as price was moving higher on subdued volume whilst in divergence. We noted that intraday downside moves had the potential to be countertrend based on our lower timeframe Elliott wave analysis. Volume remains subdued; however, we have moved higher without a technical pullback, resulting in the negative divergence failing. The recent rally has also created a bullish Elliott wave extension, confirming downside moves should be considered as countertrend. The lack of volume is a concern, but with the situation in Iran is once again escalating, suggesting any market pullbacks are more likely to come from risk off management due to the potential for increased volatility, rather than genuine market sellers. This is likely to only change if there is a deescalation between the US and Iran.