



# Brent Intraday Morning Technical

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## Brent April 26 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear	
S1	65.30	R1	67.40	65.87	RSI below 50
S2	64.29	R2	68.01		
S3	62.59	R3	68.83		

### Synopsis—Intraday

Chart source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (46)
- Stochastic is below 50
- Price is below the daily point USD 70.25
- Technical outlook Thursday: Cautious Bull. We had cautious bull previously 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. Although volume remained subdued, we noted that we had moved higher without a technical pullback, resulting in the negative divergence failing. The recent rally had also created a bullish Elliott wave extension, confirming downside moves should be considered as countertrend. The lack of volume was a concern, but with the situation in Iran once again escalating, it suggested that any market pullbacks were more likely to come from risk off management due to the potential for increased volatility, rather than genuine market sellers. This was likely to only change if there is a deescalation between the US and Iran.
- Having traded to a high of USD 71.89 the futures have seen a strong pullback due to the deescalation between the US and Iran. Price is below the 8-21 period EMA's with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 70.25 with the RSI at or above 65.5 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 65.30 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Neutral
- Technically, we are in a corrective phase of a bullish Elliott wave cycle; providing we hold above the USD 65.30 level, then resistance will be vulnerable, as the correction consists of 3-waves. However, the wave extension and move higher were driven by rising tensions in Iran with the U.S., while the move lower is on the deescalation. Technically I do not have any degree of confidence in the wave cycle, as this is based on market psychology. The recent moves are reactionary, rather than what I would consider a normal market footprint.