

Brent April 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	67.09	R1	68.54	67.69	RSI above 50	
S2	65.10	R2	69.61			
S3	63.59	R3	70.45			

Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is below 50 (51)
- Stochastic is above 50
- Price is above the daily point USD 67.09
- Technical outlook Monday: Neutral. Technically, we were in a corrective phase of a bullish Elliott wave cycle and noted that providing we held above the USD 65.30 level, then resistance will be vulnerable, as the correction consisted 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 was on the deescalation. Technically I did not have any degree of confidence in the wave cycle, as this is based on market psychology. The recent moves were reactionary, rather than what I would consider a normal market footprint.
- The futures sold to a low of USD 65.19, meaning the wave cycle is neutral. We have seen another move higher after reports that the US navy took out a single US drone yesterday, putting price above the 8-21 period EMA's. The RSI is near-neutral at 51 while intraday price and momentum are aligned to the buy side.
- A close on the 4—hour candle below USD 67.09 with the RSI at or below 55 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 69.61 will leave the futures vulnerable to further tests to the downside, above this level the futures will re-enter bull territory.
- Technical outlook: Neutral
- The futures sold lower on high volume on Monday, before trading higher on increased volume on Tuesday. Downside volume on Monday was 532,000 ,while upside volume was 476,000 on Tuesday, suggesting yesterday's move was just Monday's short cover. The technical is neutral based on the deep pullback, the volume play on Monday and Tuesday on countering moves confirm that this market is reactionary to the news wire, and not the technical at this point.

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