



# Brent Intraday Morning Technical

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## Brent April 26 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	69.46	R1	71.89	Stochastic overbought
S2	68.98	R2	73.32	
S3	68.28	R3	75.54	
		71.08	RSI above 50	

### Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (65)
- Stochastic is overbought
- Price is above the daily point USD 69.47
- Technical outlook Wednesday: Neutral—potential H&S pattern forming
- The downside move previously held above the USD 66.56 support, meaning price action was still considered as neutral. However, there was a potential bearish head and shoulders pattern forming. If we closed and held below the USD 66.56 level, it would have bearish implications going forward. Conversely, upside moves above USD 69.04 (the right shoulder), the pattern would become obsolete. Structurally, we could be about to weaken, but we needed confirmation.
- The futures held the USD 66.56 support yesterday means we did not get the H&S confirmation, what we did get was a close above the right shoulder and the USD 69.00 level, indicating buy-side pressure was increasing. Price is above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4—hour candle below USD 69.47 with the RSI at or below 51.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 68.28 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Bullish
- The breakout from the consolidation zone has now been established, indicating price action is bullish. The RSI moving average implies that momentum is supported, while the RSI high alongside price gives the technical momentum confirmation, suggesting downside moves should be considered as countertrend. We identify USD 68.31 as the key support to follow, as a move below this level will mean that the probability of price trading to a new high will begin to decrease. The H&S pattern failure suggests that the USD 71.89 and potentially the USD 73.32 resistance could be tested and broken.

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