



Brent Intraday Morning Technical

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Brent April 26 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	70.72	R1	71.39	RSI above 50	
S2	70.33	R2			
S3	69.66	R3			

Synopsis—Intraday

Chart source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is above 50 (57)
- Stochastic is above 50
- Price is below the daily point USD 71.56
- Technical outlook Monday: Bullish
- The futures had seen a technical throwback yesterday from the USD 72.34 fractal high due to a negative divergence with the RSI. However, we highlighted on the chart the previous USD 70.72 resistance, which acting as a support, suggesting we had a potential change in polarity. If the support held, it would warn that the USD 72.34 fractal high and potentially the USD 73.32 Fibonacci resistance could be tested and broken; however, we were mindful of further divergences on upside breakouts. As highlighted last week, the H&S pattern failure, alongside the momentum confirmation suggested that downside moves should be considered as countertrend, providing we held above the USD 68.69 support. Below this level the probability of the futures trading to a new high would begin to decrease.
- The futures traded to a high of USD 72.50 before seeing a small pullback. We are between the 8-21 period EMA's supported by the RSI above 50, intraday price and momentum are conflicting, as the previous candle closed above the daily pivot level.
- A close on the 4—hour candle above USD 71.56 with the RSI at or above 63.5 will mean price and momentum are aligned to the buy side; likewise, a close below this level will mean it is aligned to the sell side. Downside moves that hold at or above USD 68.75 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Bullish but in divergence.
- The upside moves to a new high has created a negative divergence with the RSI. Not a sell signal, it is a warning that we could see a momentum slowdown, which needs to be monitored. A close that holds below the polarity support at USD 70.72 will indicate sell-side pressure is increasing, warning the USD 68.75 Fibonacci support could come under pressure. We identify USD 68.75 as a key level to follow, as a move below this level will reduce the probability of price trading to a new high within this phase of the cycle.

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