



Brent Intraday Morning Technical

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Brent May 26 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	69.82	RSI above 50	
S2	R2			
S3	R3			

Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (79)
- Stochastic is above 50
- Price is above the daily point USD 71.94
- Technical outlook Thursday: polarity support broken, sell-side pressure increasing.
- The futures were selling lower on Thursday with price trading in the Fibonacci support zone. The MA on the RSI implied momentum was weak, warning the USD 68.75 support was becoming vulnerable. We identified USD 68.75 as the key level on the technical, as a move below it would reduce the probability of price trading to new highs. Conversely, throwbacks that held above this level would indicate that there was an underlying support in the market. Our Elliott wave analysis did suggest that downside moves should be considered as countertrend, providing we held the USD 68.75 level. Weakening price and momentum suggest support was vulnerable.
- The futures held support with price trading back above the polarity support on Friday. The events over the weekend in the Middle East mean that price has gapped higher. We are 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 71.94 with the RSI at or above 58 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 72.10 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Bullish
- Obviously the move this morning is not technically driven. The futures traded to a high of USD 82.37 on the open before seeing an intraday pullback. The new high is being replicated by price, suggesting downside moves should in theory be countertrend, making USD 72.10 the key support to follow. The MA on the RSI implies momentum is supported; however, if the RSI breaks trend support (highlighted), it will warn that intraday price could weaken, warning the MA RSI could be tested and broken.

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