



Brent Intraday Morning Technical

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Brent May 26 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	81.85	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (77)
- Stochastic is overbought
- Price is above the daily point USD 81.82
- Technical outlook Tuesday: Bullish
- Elliott wave analysis indicates that downside moves should be considered as countertrend yesterday, making USD 68.86 the key support to follow. We noted that the breakaway gap that formed between USD 75.75—USD 73.00 should be considered as a support zone. Being a breakaway gap, it was less likely to be filled. The MA on the RSI implied that momentum was supported, while the stochastic was moving above 70, which we noted would attract further buyside attention, as it signaled that buyside pressure was increasing. We were cautious on lower moves.
- The futures remained supported for most of the session before seeing a late pullback on comments from President Trump relating to shipping insurance and security; however, price has opened with bid support today. We remain above all key moving averages supported by the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4—hour candle above USD 81.82 with the RSI at or above 79.5 will mean price and momentum are aligned to the buyside; likewise, a close below this level will mean it is aligned to the sell side. Downside moves that hold at or above USD 68.86 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: caution above USD 85.12
- Technically bullish, we have two momentum scenarios in play. The RSI pullback into the close yesterday created a positive reversal pattern with the RSI, resulting in price finding bid support this morning. This is highlighted by the red lines on the RSI and price and warns the USD 85.12 fractal high could be tested and broken. However, by the nature of a positive reversal, the RSI pullback means that we have an increased chance of producing a negative divergence on an upside breakout above USD 85.12 (black lines). This means we are cautious on higher moves above this level.

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