



# Brent Intraday Morning Technical

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## Brent May 26 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	82.45	R1	85.23	RSI above 50	Stochastic overbought
S2	75.75	R2	87.89		
S3	74.81	R3	92.18		

### Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (70)
- Stochastic is overbought
- Price is above the daily point USD 82.45
- Technical outlook Wednesday: caution above USD 85.12
- Technically bullish yesterday we noted that we had two momentum scenarios in play. The RSI pullback into the close previously had created a positive reversal pattern with the RSI, resulting in price finding bid support yesterday morning. This was highlighted by the red lines on the RSI and price, warning the USD 85.12 fractal high could be tested and broken. However, by the nature of a positive reversal, the RSI pullback meant that we have an increased chance of producing a negative divergence on an upside breakout above USD 85.12 (black lines). This meant that we were cautious on higher moves above this level.
- The futures traded to a high of USD 84.48 yesterday before seeing a small pullback, we are higher again this morning. Price is 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 82.45 with the RSI at or above 75 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 71.51 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: caution above USD 85.12
- The broader trend remain bullish with downside moves considered as countertrend. The difference between today and yesterday is that we now have two positive reversals patterns in play, one negative divergence, and almost certainly a second above USD 85.12. Technically, resistance remains vulnerable; however, we maintain a cautious approach on breakouts above USD 85.12 as they could struggle to hold.

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