



Brent Intraday Morning Technical

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Brent May 26 Morning Technical Comment – 60 Min



	Support	Resistance	Current Price	Bull	Bear
S1	95.12	R1	100.33	RSI above 50	Stochastic overbought
S2	93.78	R2	104.78		
S3	91.37	R3	106.46		

Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is at 50 (55)
- Stochastic is overbought
- Price is above the daily point USD 90.67
- Technical outlook Tuesday: Caution on downside moves.
- We noted yesterday that the futures had seen high volume bid support off the 1-hour 200-period MA at USD 84.75, this was accompanied by a positive divergence with the RSI, resulting in a move higher. Based on the correction, our Elliott wave analysis suggested that upside moves had the potential to be countertrend, implying we could be in a corrective Elliott wave B. Volume support at lower levels alongside the divergence meant that we had a cautious approach to downside moves at that point. We observed that we had a potential negative reversal pattern in play between the RSI, and the fractal high at USD 95.04. For the Fibonacci resistance to come under pressure, we needed to see price and the RSI achieving new highs, making USD 95.04 the key near-term resistance to follow.
- The futures traded above the USD 95.04 level to a high of USD 101.59, price has since reverted back to the 8-21 period EMA's. The RSI is above 50 with price and momentum conflicting.
- Upside moves that fail at or below USD 106.46 will leave the futures vulnerable to further tests to the downside; conversely, throwbacks that hold at or above USD 88.10 will signal underlying support in the market, warning resistance could come under pressure.
- Technical outlook: Rising channel support
- The futures are moving higher within a rising channel, in what looks like a countertrend corrective wave B. A close that holds below the channel support line at USD 95.12 will indicate an increase in sell side pressure, making USD 8.10 the key support to follow. Conversely, if price remains in the rising channel and breaches the USD 106.46 Fibonacci resistance, then the probability of price trading to a new high will begin to decrease.

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