



Brent Intraday Morning Technical

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Brent May 26 Morning Technical Comment – 60 Min



	Support	Resistance	Current Price	Bull	Bear
S1	101.81	R1	106.46	RSI above 50	Stochastic overbought
S2	96.82	R2	111.29		
S3	93.83	R3	119.50		

Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (62)
- Stochastic is overbought
- Price is above the daily point USD 101.81
- Technical outlook Thursday: Rising channel support
- The futures were moving higher within a rising channel on Thursday, in what looked like a countertrend corrective wave B. A close that held below the channel support line at USD 95.12 would indicate an increase in sell side pressure, making USD 88.10 the key support to follow. Conversely, if price remained in the rising channel and breached the USD 106.46 Fibonacci resistance, then the probability of price trading to a new low would begin to decrease.
- The futures broke channel support but moved higher on a positive reversal pattern with the RSI, the USD 106.46 resistance was breached on the open. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are conflicting.
- A close on the 1-hour candle below USD 101.81 with the RSI at or below 60.5 will mean price and momentum are aligned to the sell side; likewise, a close above this level with the RSI at or above 65 will mean it is aligned to the buyside. Downside moves that hold at or above USD 89.77 will signal underlying support in the market, below this level will signal an increase in sell side pressure.
- Technical outlook: Neutral
- The upside move above USD 106.46 indicates that the probability of the futures trading to a new low has started to decrease. Countering this, above the USD 106.50 high from the open, could create a negative divergence with the RSI, suggesting caution on upside breakouts in the near-term. Buyside pressure is on the increase; however, momentum suggests we are become vulnerable to an intraday throw-back.

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