



Brent Intraday Morning Technical

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Brent May 26 Morning Technical Comment – 60 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	114.42	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 (68)
- Stochastic is overbought
- Price is above the daily point USD 107.30
- Technical outlook Wednesday: resistance remained vulnerable
- Near-term price action was supported yesterday, warning resistance remains vulnerable, above USD 106.50 would create a lower timeframe Elliott wave extensions; however, price could be divergent with the RSI, implying caution on upside breakouts. Although we breached the USD 106.46 resistance previously, there is still a chance that this move higher could be a countertrend wave B. If we sold lower, and the daily 14-period RSI closed below 77, it would warn that we are seeing an increase in sell side pressure on the higher timeframe.
- Threats from Iran to retaliate (which they now have) against the attacks on their gas fields resulted in price moving higher. Further upside moves this morning means we have tested but remain below the USD 119.50 level. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are conflicting due to price rejecting the USD 119.50 level.
- A close on the 1-hour candle below USD 107.30 with the RSI at or below 68.5 will mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI above 732 will mean it is aligned to the buyside. Downside moves that hold at or above USD 104.92 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Downside moves considered as countertrend
- The upside move has rejected the USD 119.50 level on increased volume, signaling either a defence of the resistance, or market longs closing out. However, the upside move in the futures has been accompanied by the RSI making new highs with price, this bullish momentum confirmation warns that downside moves should be considered as countertrend at this point. Based on Fibonacci projections, the move higher in the last 24-hours is warning that we could test the USD 124.88 level, as this is the 100% Fibonacci projection from the low on the 10/03 to the high 15/03.

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