



Brent Intraday Morning Technical

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Brent May 26 Morning Technical Comment – 60 Min



	Support	Resistance	Current Price	Bull	Bear
S1	110.35	R1	113.90	RSI above 50	Stochastic overbought
S2	109.24	R2	115.48		
S3	109.09	R3	119.13		

Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (59)
- Stochastic is overbought
- Price is above the daily point USD 109.24
- Technical outlook Thursday : Downside moves considered as countertrend
- The upside move previously had rejected the USD 119.50 level on increased volume, signaling either a defence of the resistance, or market longs closing out. However, the move in the futures had been accompanied by the RSI making new highs with price, this bullish momentum confirmation warned that downside moves should be considered as countertrend at that point. Based on Fibonacci projections, the move higher in the last 24-hours warned 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.
- The futures traded to a low of USD 103.76 before finding bid support. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 1-hour candle below USD 109.24 with the RSI at or below 55.5 will mean price and momentum are aligned to the sell side. . 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. Note: this support remains in play, as price has breached the USD 113.90 resistance.
- Technical outlook: Downside moves considered as countertrend
- The upside move above USD 113.90 has taken the intraday futures from neutrally back into bullish territory. However, the move above USD 114.35 on the open means that we have minor negative divergence in play, leaving price vulnerable to an intraday pullback. Based on the futures trading back above the USD 113.90 level, we maintain our view that downside moves should be considered as countertrend. Below USD 110.22 (low of opening candle) will imply sell side pressure is increasing, warning Fibonacci support could be tested. From a market profile perspective, USD 107.25 will be an area of interest in terms of support, as it was the most heavily traded area on Friday.

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