



Brent Intraday Morning Technical

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Brent May 26 Morning Technical Comment – 60 Min



	Support	Resistance	Current Price	Bull	Bear
S1	96.00	R1	103.04		
S2	94.91	R2	103.50		RSI below 50
S3	93.18	R3	105.21		

Synopsis—Intraday

Chart source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (37)
- Stochastic is above 50
- Price is below the daily point USD 103.50
- Technical outlook Monday : Downside moves considered as countertrend
- The upside move above USD 113.90 previously had taken the intraday futures from neutral back into bullish territory. However, the move above USD 114.35 on the open means that we had 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 maintained our view that downside moves should be considered as countertrend. Below USD 110.22 (low of opening candle) would imply sell side pressure was increasing, warning Fibonacci support could be tested. From a market profile perspective, USD 107.25 would be an area of interest in terms of support, as it was the most heavily traded area on Friday.
- Trump tweeted talks, Iran denied, oil dumped, potential front running in the market is being reported in the media. An interesting few minutes changed the technical footprint yesterday, based on price, we are bearish. The futures are below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 1-hour candle below USD 103.5 with the RSI at or below 37.5 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buy side. Upside moves that fail at or below USD 108.16 will leave the futures vulnerable to further tests to the downside.
- Technical outlook: neutral
- This is a difficult technical to write, as the move lower looks to have been driven by information from the US that has been denied by Iran, bringing into question, should price be at these levels? However, we will, as always, give a non-biased approach based on the information that we have in front of us. The structure is bearish based on lower lows and lower highs, price is rejecting the intraday 1-hour 200-period MA at USD 104.13; while below the average, support is considered as vulnerable. On the buy-side, the RSI moving averages implies that momentum is supported. Technically, we are cautious on upside moves while below USD 108.16, above this level the probability of price trading to a new low will begin to decrease; if price and momentum become aligned to the sell side, market sellers will look to test the USD 96.00 fractal low.
- We are neutral, as there was nothing technical in the move yesterday.

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