



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	101.02	97.93	RSI below 50
S2	94.91	R2	103.04		
S3	93.18	R3	104.76		

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 101.02
- Technical outlook Tuesday : neutral
- A technical to write yesterday, as the move lower looked to have been driven by information from the US that had been denied by Iran, bringing into question, should price be at those levels? However, we always give a non-biased approach based on the information that we have in front of us. The structure was bearish based on lower lows and lower highs, price was rejecting the intraday 1-hour 200-period MA at USD 104.13; while below the average, support was considered as vulnerable. On the buy-side, the RSI moving averages implied that momentum was supported. Technically, we were cautious on upside moves while below USD 108.16, above this level the probability of price trading to a new low would begin to decrease; if price and momentum become aligned to the sell side, market sellers would look to test the USD 96.00 fractal low. We sat on the fence and took a neutral stance, as there was nothing technical in the move the previous day.
- The futures did test the intraday 200-period MA at USD 104.76 for a second time due to the momentum support; however, the average held, resulting in price selling lower. We are below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 1-hour candle above USD 101.02 with the RSI at or above 42.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 108.16 will leave the futures vulnerable to further tests to the downside.
- Technical outlook: Momentum weakness, support vulnerable
- Price has rejected the 200-period MA resulting in the futures selling lower. The upside rejection means that the RSI moving average is also turning lower, implying that momentum is starting to weaken, warning support could come under pressure. Market sellers will need to be cautious on downside moves below USD 97.15 as the RSI has the potential to become divergent, this will need to be monitored.

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