



# Brent Intraday Morning Technical

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## Brent May 26 Morning Technical Comment – 60 Min



	Support	Resistance	Current Price	Bull	Bear
S1	105.35	R1	111.70	RSI above 50	Stochastic overbought
S2	101.48	R2	114.43		
S3	97.15	R3	119.65		

### Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (69)
- Stochastic is overbought
- Price is above the daily point USD 105.92
- Technical outlook Thursday : Inflection point.
- The upside move in the futures previously had put price above the 1-hour 200-period MA at USD 105.02. we noted that a close and hold above the average would further support a buyer's argument. However, the RSI was at 72, not a sell signal, it did warn that buy-side momentum could slow down. If we closed back below the average, corrective moves will need to hold above the USD 99.90 level to maintain bullish momentum; failure to hold USD 99.90 would warn the USD 97.15 support could come back under pressure.
- The futures held above the intraday 200-period MA at USD 105.48, resulting in price trading to a high of USD 110.30. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy-side.
- A close on the 1-hour candle below USD 105.92 with the RSI at or below 57.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 101.48 will support a near-term bull argument, below this level the futures will re-enter bearish territory.
- Technical outlook: negative divergence in play
- The upside move above the USD 108.16 resistance indicates that the probability of the futures trading to a new low has started to decrease. Price is now in divergence with the RSI, not a sell signal it is a warning that we could see a momentum slowdown, this will need to be monitored. Countering this, the pullback overnight has held the 200-period MA, resulting in price moving higher. The rollover hook pattern does warn that resistance is still vulnerable, despite the divergence, while the move above USD 108.16 suggests that support levels should hold if tested.

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