



Brent Intraday Morning Technical

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Brent May 26 Morning Technical Comment – 60 Min



	Support	Resistance	Current Price	Bull	Bear
S1	111.51	R1	116.75	RSI above 50	Stochastic overbought
S2	109.26	R2	119.13		
S3	106.95	R3	119.65		

Synopsis—Intraday

Chart source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (73)
- Stochastic is overbought
- Price is above the daily point USD 111.51
- Technical outlook Friday : negative divergence in play
- The upside move above the USD 108.16 resistance on Friday indicated that the probability of the futures trading to a new low had started to decrease. Price was in divergence with the RSI, not a sell signal it warned that we could see a momentum slowdown, this needed to be monitored. Countering this, the pullback overnight had held the 200-period MA, resulting in price moving higher. The rollover hook pattern did warn that resistance was still vulnerable, despite the divergence, while the move above USD 108.16 suggests that support levels should hold if tested.
- The futures continued to move higher with price remaining above all key moving averages supported by the RSI above 50; however, the small move lower in the Asian day session means that price and momentum are currently conflicting.
- A close on the 1-hour candle above USD 111.51 with the RSI at or above 79.5 will mean price and momentum are aligned to the buy side; likewise, a close below this level will mean it is aligned to the sell side. Downside moves that hold at or above USD 103.81 will support a near-term bull argument, below this level the futures will have a neutral bias.
- Technical outlook: Bullish—divergent above USD 116.75
- Price remains in a bullish trending environment supported by the RSI above 50. However, the RSI is below its moving average which is starting to turn lower, suggesting buy side momentum is starting to slow. If we do trade above USD 116.75 price will be divergent with the RSI; not a sell signal, this will also warn that we could see a momentum slowdown, meaning we are cautious on upside breakouts above USD 116.75.

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