



Brent Intraday Morning Technical

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Brent July 26 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	97.66	R1	102.35	Stochastic oversold	RSI below 50
S2	97.53	R2	104.33		
S3	93.94	R3	107.01		

Synopsis—Intraday

Chart source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (37)
- Stochastic is oversold
- Price is above the daily point USD 106.58
- Technical outlook Previously: Sell side pressure increasing
- We noted last week that the break in trend support alongside the RSI moving below 50 signaled an increase in sell side pressure; however, price was holding the 200-period MA at USD 104.29. For downside continuation we will need to close and hold below the average, while on it, we are at an inflection point.
- The futures gapped below the intraday 200-period MA on the open yesterday. We are seeing light bid support this morning but remain below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below 97.66 with the RSI at or below 31 would mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 107.01 will leave the futures vulnerable to further tests to the downside, above this level will signal an increase in buyside pressure.
- Technical outlook: Upside moves considered as countertrend
- The downside move has resulted in the futures trading to a new low. Price is moving higher as the RSI has held support; however, lower timeframe Elliott wave analysis is suggesting that upside moves should be considered as countertrend, providing we remain below the USD 107.01 resistance. Above USD 107.01 the probability of price trading to a new low will begin to decrease. Light bid support on low volume suggests that market sellers are pulling back, rather than an increase in buyside pressure.

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