



# 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 (32)
- Stochastic is oversold
- Price is above the daily point USD 99.04
- Technical outlook Previously: Upside moves considered as countertrend
- The downside move previously had resulted in the futures trading to a new low. Price was moving higher as the RSI had held support; however, lower timeframe Elliott wave analysis suggested that upside moves should be considered as countertrend, providing we remained below the USD 107.01 resistance. Above USD 107.01 the probability of price trading to a new low would begin to decrease. Light bid support on low volume suggested that market sellers are pulling back, rather than an increase in buy-side pressure.
- Having traded to high of USD 100.73 yesterday the futures are selling lower again. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below 99.04 with the RSI at or below 31 would mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above 35 will mean it is aligned to the buy-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 buy-side pressure.
- Technical outlook: caution on downside breakouts.
- The futures are selling lower in line with our Elliott wave analysis, suggesting the USD 95.95 fractal low will be tested and broken. However, downside breakouts will create a positive divergence with the RSI; not a sell signal, it is a warning that we could see a momentum slowdown. The divergence warrants caution on moves below USD 95.95.

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