



Brent Intraday Morning Technical

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Brent Aug 26 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	92.53	R1	99.56	Stochastic oversold	RSI below 50
S2	88.84	R2	102.08		
S3	82.34	R3	105.48		

Synopsis—Intraday

Chart source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is below 50 (40)
- Stochastic is oversold
- Price is above the daily point USD 92.53
- Technical outlook Previously: caution on downside breakouts.
- The futures were selling lower in line with our Elliott wave analysis previously, suggesting the USD 95.95 fractal low would be tested and broken. However, downside breakouts would create a positive divergence with the RSI; not a sell signal, it warned that we could see a momentum slowdown. The divergence warranted caution on moves below USD 95.95.
- Having broken the USD 95.95 fractal support the futures have sold to a low of USD 91.44. We are see light bid support with price between the 8-21 period EMA's. The RSI is below 50 with price and momentum aligned to the buyside.
- A close on the 4-hour candle below 92.53 with the RSI at or below 32 would mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 105.48 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technical outlook: caution on downside moves
- Price remains in a bearish trending environment; however, the downside breakout to a new low means that price is divergent with the RSI. This is not a buy signal, the divergence will need confirmation from price; what it does warn is that sell side momentum could slow down. A daily close above the weekly pivot level at USD 94.74 will signal buy side pressure is on the increase, while a move above the USD 98.20 fractal resistance will confirm the increase in buyside pressure. Market buyers should be cautious on upside moves that reject the USD 105.48 level, as it will warn that the larger bear cycle remains corrective.

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