



Brent Intraday Morning Technical

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Brent Aug 26 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	88.35	R1	93.16	Stochastic oversold	RSI below 50
S2	85.83	R2	95.78		
S3	82.26	R3	98.99		

Synopsis—Intraday

Chart source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (40)
- Stochastic is oversold
- Price is on the daily point USD 91.81
- Technical outlook Previously: caution below USD 92.67.
- The technical continued to have a neutral bias. The upside move failed to hold previously as price looked to be corrective rather than motive. However, downside moves below USD 92.67 would be divergent with the RSI. A warning, not a buy signal, the technical suggests a cautious approach was needed on downside breakouts. Based on the technical footprint, the USD 91.44 support was more vulnerable than resistance at that point, we were neutral as price was neither a buy or a sell at those levels.
- The futures have followed the bearish footprint, resulting in price trading to a new lo. We remain below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above 91.81 with the RSI at or above 44 would mean price and momentum are aligned to the buyside. Likewise, a close below this level will mean it is aligned to the sell side. Upside moves that fail at or below USD 95.78 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technical outlook: Upside moves considered as countertrend
- The break to the downside means the RSI is divergent with price dating back to the 29/05. However, the RSI made a lower low with price yesterday, meaning near-term price action remains weak; this would suggest that upside moves should still be considered as countertrend, providing we hold below the USD 95.78 resistance. Above USD 95.78 would be considered as deep into the last bear waves, indicated buy-side pressure was beginning to increase. Technically, it looks like we are nearing exhaustion for this phase of the cycle.

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