



# Brent Intraday Morning Technical

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## Brent Aug 26 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	71.96	R1	79.14	Stochastic oversold	RSI below 50
S2	67.07	R2	82.30		
S3	64.55	R3	87.71		

### Synopsis—Intraday

Chart source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (36)
- Stochastic is oversold
- Price is below the daily point USD 79.14
- Technical outlook Previously: Inflection point
- We noted last week that the futures had closed below the weekly 200-period MA with price testing the daily 200-period MA at USD 78.45, we also highlighted the weekly 50-period MA at USD 76.66. Technically, our Elliott wave analysis suggested that upside moves should be considered as countertrend; however, with price trading around three benchmark moving averages, we had a note of caution on lower moves, at those levels at that point. We noted that for downside continuation, price was going to need to close and hold below the USD 79.66 level.
- The futures are currently holding above the weekly 50-period MA at USD 76.85. Price is below all key intraday moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above 79.14 with the RSI at or above 42 would mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 91.31 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technical outlook: Divergent
- The upside move on Friday failed to hold, resulting in price printing a new low this morning; however, this is not being replicated by the RSI, meaning we have a positive divergence in play. Not a buy signal, the divergence is a condition that warns that sell side momentum could slowdown, implying a cautious approach to lower moves at these levels is needed. A daily close and hold back above the daily 200-period MA at USD 78.71 would suggest buy side support is entering the market; conversely, for downside continuation we need to hold below the average with the divergence failing.

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