



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	77.25	Stochastic oversold	RSI below 50
S2	67.07	R2	78.75		
S3	64.55	R3	82.30		

Synopsis—Intraday

Chart source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (32)
- Stochastic is oversold
- Price is below the daily point USD 77.25
- Technical outlook Previously: Divergent
- We noted yesterday that the upside move on Friday failed to hold, resulting in price printing a new low yesterday morning; however, this was not being replicated by the RSI, meaning we had a positive divergence in play. Not a buy signal, the divergence was a condition that warned that sell side momentum could slowdown, implying a cautious approach to lower moves at those levels was needed. A daily close and hold back above the daily 200-period MA at USD 78.71 would suggest buyside support was entering the market; conversely, for downside continuation we need to hold below the average with the divergence failing.
- The futures continue to come under light selling pressure. We remain below all key 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 77.25 with the RSI at or above 38.5 would mean price and momentum are aligned to the buyside side. Upside moves that fail at or below USD 91.15 would leave the futures vulnerable to further tests to the downside, above this level the technical would have a neutral bias.
- Technical outlook: Divergent
- Unchanged on the technical this morning. Price and the RSI are divergent, warning sell side momentum could slow down. We also note that volume is declining on the move lower, indicating sell side pressure is showing signs of exhaustion. Confirmation of support will need to come from price, suggesting we need to see a close and hold above the daily 200-period MA at USD 78.75. Due to the divergence and declining volume, we now have a cautious approach to lower moves at these levels.

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