



Brent Intraday Morning Technical

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Brent Sep 26 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	77.49	RSI above 50	Stochgastic overbought
S2	R2			
S3	R3			

Synopsis—Intraday

Chart source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is above 50 (60)
- Stochastic is overbought
- Price is below the daily point USD 78.50
- Technical outlook Previously: buyside pressure increasing
- The positive reversal failure yesterday meant both price and the RSI were making new highs, signaling bullish momentum confirmation; the RSI move above 70 also indicated that momentum was supported. Although near-term price action has turned to the buyside, the longer-term Elliott wave cycle warned that upside moves should still be considered as countertrend, providing the USD 89.23 resistance was not breached; if it was, then the probability of the futures trading to a new low would start to decrease.
- The futures traded to a high of USD 80.59 before entering a corrective phase. We are between the 8-21 period EMA's supported by the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 78.50 with the RSI at or above 72 would mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 89.23 would leave the futures vulnerable to further tests to the downside, above this level the technical would have a neutral bias.
- Technical outlook: Bullish throwback
- The upside move has volume support while the RSI moved above 70; the corrective move has resulted in the RSI breaking support, meaning we have a positive reversal pattern in play. This suggests that caution is warranted on downside moves while above USD 75.44, as the move lower looks to be countertrend. Below USD 75.44 will signal bearish momentum confirmation, warning that the USD 73.66 Fibonacci support could be tested. We highlight this as the key level on the technical, if breached, then the probability of price trending to a new high will begin to decrease. In the near-term, we are cautious on intraday moves lower; The broader technical, based on Elliott wave analysis is still considered as bearish below USD 89.23. However, based on the rhetoric coming out of the U.S., I would be cautious on putting too much weight on the wave cycle unless the story changes again.

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