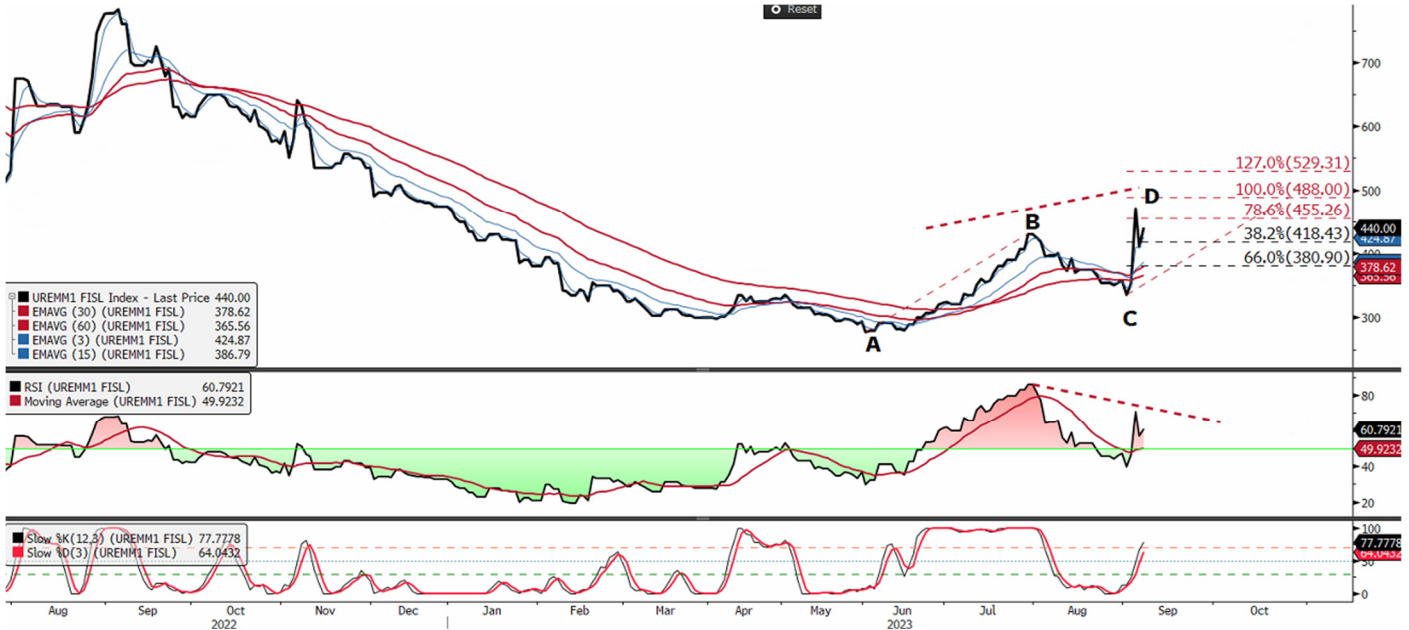


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Urea Middle East Oct 23 (Rolling Front Month)



Support	Resistance	Current Price	Bull	Bear
S1	R1	440	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

- Price is above the EMA resistance band (Red EMA's)
- RSI is above 50 (60)
- Stochastic is above 50
- Price is above the weekly pivot point (USD 342)
- We have seen a big move higher that has not been technically related, this has resulted in the futures trading to a new high. Because of the upside move the futures are now above all key moving averages with the RSI above 50, we also note that the MA on the RSI has started to turn high, warning of near-term momentum support. The weekly pivot point is not a factor due to it being so far below the market.
- Downside moves that hold at or above USD 380 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, having initially traded to a high of USD 470 the futures had a re-balance with price trading back to a low of USD 410, before finding buy-side support, meaning we have a bullish gap in the market (also known as a window) between USD 410 and USD 352.5. The window is now considered a support zone, as it illustrates the urgency in buying pressure in the market. However, as a rule, markets like to try and close gaps, suggesting at some point you could see market sellers looking to test buy-side resilience, targeting the USD 352.5 level. We highlight this as our near-term upside target based on Fibonacci projection levels (I.E. A - B = C-D) is USD 788, which is achievable. The issue we have from a technical perspective is momentum, the upside move in the futures is not being replicated by the RSI, this is known as a negative divergence. Not a sell signal it is a warning that we have the potential to see a momentum slowdown and will need to be monitored, it also suggests that if we achieve the USD 488 level, the futures could struggle to hold.

Source Bloomberg

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