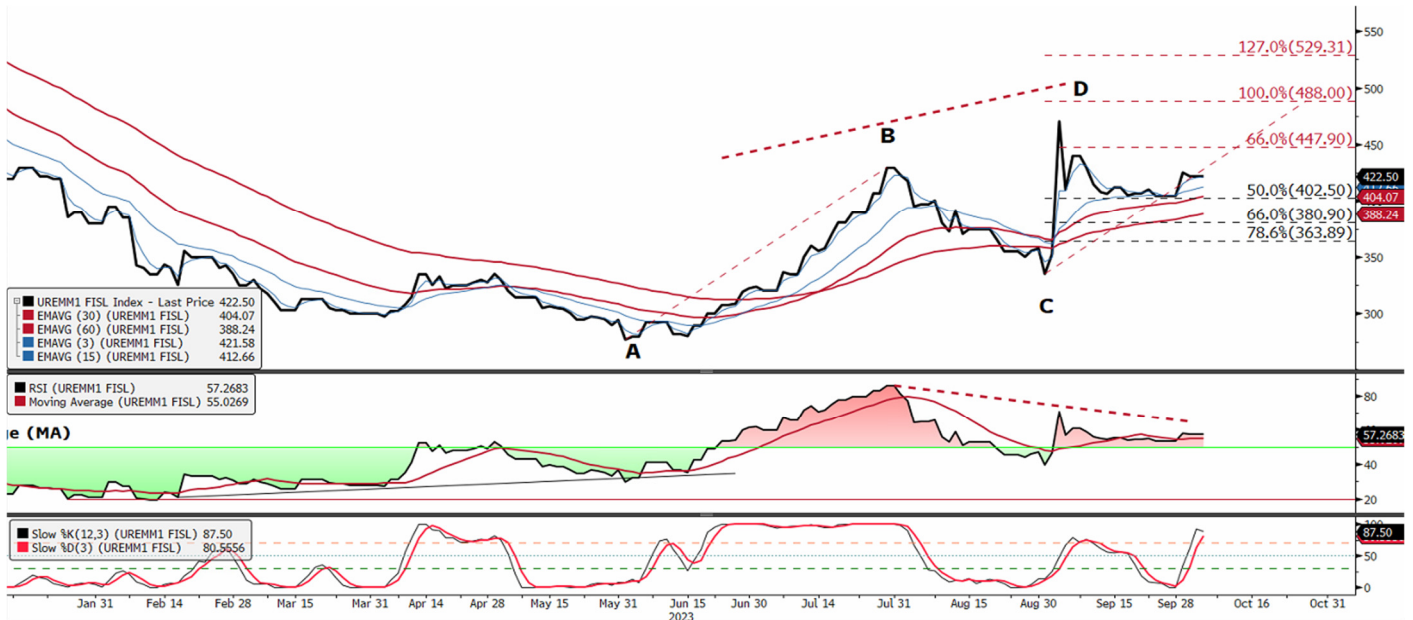


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Urea Middle East Nov 23 (Rolling Front Month)



Support	Resistance	Current Price	Bull	Bear
S1	R1	422.5	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

- Price is above the EMA resistance band (Red EMA's)
- RSI is above 50 (57)
- Stochastic is overbought
- Price is above the weekly pivot point (USD 405)
- Technically bullish on the last report, having traded to a high of USD 470 we noted that the futures had a re-balance with price trading back to a low of USD 410, before finding buyside support, resulting in a bullish gap in the market (also known as a window) between USD 410 and USD 352.5. The window was considered a support zone, as it illustrated the urgency in buying pressure in the market. As a rule, markets like to try and close gaps, suggesting at some point you could see market sellers looking to test buyside 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) was USD 788, which was achievable. The issue we had from a technical perspective was momentum, the upside move in the futures was not being replicated by the RSI, known as a negative divergence. Not a sell signal it warned that we had the potential to see a momentum slowdown and needed to be monitored. It also suggested that if we achieved the USD 488 level, the futures could struggle to hold. The futures failed to capitalize on the upward spike due to the negative divergence that was in play, resulting in the futures trading to a low of 405 before moving higher on the 04/10, meaning the bullish gap is currently acting as a support zone. Price is above all key moving averages supported by the RSI above 50.
- 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 based on the previous move to a high of USD 470, this is supported by the downside move which has held above the USD 380 level. Upside moves that fail at or below USD 447 will leave the futures vulnerable to further tests to the downside, as this will warn of momentum weakness based on price, above this level we target the USD 470 fractal high. Likewise, a move below USD 405 will warn that the USD 380 support could be tested. Although bullish, we continue to have reservations regarding the move lower on the back of the negative divergence, as it suggests upside moves could struggle to hold. For this reason, we do not consider the futures a technical buy at these levels.

Source Bloomberg

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