

Panamax May 25 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	9,758	R1	10,480	9,850	Stochastic oversold	RSI below 50
S2	9,083	R2	10,837			
S3	8,516	R3	11,321			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (34)
- Stochastic is oversold
- Price is above the daily pivot USD 9,758
- Technically bearish yesterday, the MA on the RSI implied momentum was weak, whilst the RSI was making new lows. Suggesting upside moves should be considered as countertrend in the near-term, making USD 11,321 the key resistance to follow. If broken, then the probability of price trading to a new low within this phase of the cycle would start to decrease. Likewise, upside moves that failed at or below USD 11,965 would warn that there could be a larger, bearish Elliott wave cycle coming into play. Based on the RSI making new lows alongside price, we remained cautious on moves higher at that point.
- The futures found light bid support yesterday with price trading up to but rejecting the 8-period EMA on the open. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 9,758 with the RSI at or above 40.5 will mean price and momentum are aligned to the buyside; likewise, a close below this level will mean price and momentum are aligned to the sell side. Upside moves that fail at or below 11,321 will leave the futures vulnerable to further tests to the downside, above this level will the technical will have a neutral bias.
- Unchanged on the technical with morning, the MA on the RSI continues to suggest that momentum remains weak. Lower timeframe Elliott wave analysis suggests that upside moves should be considered as countertrend, making USD 11,321 the key resistance to follow. If broken, then the probability of the futures trading to a new low within this phase of the cycle will start to decrease. However, as highlighted yesterday, upside moves that fail at or below USD 11,965 will warn that there could be a larger bearish cycle in play. We highlight the USD 11,965 resistance as the corrective cycle remains a little unclear at this point. It is difficult to distinguish whether this is a higher timeframe corrective Elliott wave A, or a 3 wave pattern that is already on a corrective wave C. If we trade below USD 8,622 it will weaken the technical further, warning that could be that there is a larger bear cycle in play.