

FIS Panamax Intraday Morning Technical

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Panamax May 25 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	9,325	R1	9,900	9,650	Stochastic oversold	RSI below 50
S2	9,083	R2	10,480			
S3	8,516	R3	10,837			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (34)
- Stochastic is oversold
- Price is below the daily pivot USD 9,900
- Unchanged on the technical yesterday, the MA on the RSI continued to imply that momentum remained weak. Lower timeframe Elliott wave analysis suggested 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 would start to decrease. However, as highlighted previously, upside moves that failed at or below USD 11,965 would warn that there could be a larger bearish cycle in play. We highlighted the USD 11,965 resistance level, as the corrective cycle remained unclear. We noted that 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 traded below USD 8,622 it would weaken the technical further, warning that could be that there is a larger bear cycle in play.
- The futures were supported yesterday before seeing a small move lower on the open this morning. We are below all key moving averages with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 9,900 with the RSI at or above 37.5 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 33 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.
- Technically bearish, the MA on the RSI implies that momentum remains weak, whilst lower timeframe Elliott wave analysis continues to suggest that upside moves look like they will be countertrend. This is supported by price and the RSI making new lows previously. From an Elliott wave perspective, the corrective move remains unclear. Upside moves that reject the USD 11,965 level will warn that there could be a larger corrective phase in play; likewise, if we trade below the USD 8,622 level, it will weaken the technical further. Having moved lower on the open, we are seeing light bid support; however, we maintain a cautious view on moves higher, as the technical suggest that they could struggle to hold.

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