

Panamax May 25 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	11,425	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (57)
- Stochastic is above
- Price is above daily pivot USD 10,975
- Technically bearish yesterday, the move lower on the open meant that price was below the weekly pivot level (USD 10,975), and the 55-period EMA (USD 10,871). A close below that held below this resistance zone would warn that the USD 10,019 Fibonacci support could come under pressure; if broken, then we would target the USD 9,325 fractal support. We maintained our view based on Elliott wave analysis that upside moves should in theory be countertrend.
- The futures closed below the weekly pivot level (USD 10,975) but held above the 55-period EMA (USD 10,895). However, softening trade rhetoric from the US, towards China has resulted in price opening higher. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the
- A close on the 4-hour candle below USD 10,975 with the RSI at or below 54.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below 11,965 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 we have momentum support. Our wave analysis implies that upside moves should be considered as countertrend. However, the US is softening its stance due to its increasing debt yields, suggesting there could be significant concessions in any deal with China, hence the bid support in Panamax (and Supramax) this morning. If we trade above USD 11,965, then the probability of the futures trading to a new low will start to decrease, suggesting the bearish wave cycle has a greater chance of failing. With price moving away from the weekly pivot level, it suggests that USD 11,965 resistance could potentially be broken.