

Supramax May 25 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	10,200	R1	10,658	RSI above 50	Stochastic overbought
S2	9,966	R2	10,900		
S3	9,412	R3	11,322		

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (51)
- Stochastic is overbought
- Price is below the daily pivot USD 10,658
- Technically bearish yesterday, the MA on the RSI implied that momentum was supported, warning resistance levels remained vulnerable. Price was testing (just above) the 55-period EMA (USD 10,615); we noted that a close above that held above the average would further support a near-term bullish argument. However, our Elliott wave analysis suggested that upside moves should be considered as countertrend, meaning we remain cautious on higher moves whilst below the USD 11,332 level. If broken, then the probability of the futures trading to a new low would start to decrease, increasing the probability that the bearish wave cycle could fail.
- The futures closed above the 55-period EMA last night; however, price is a little lower on the open, meaning we are trading back on the average (USD 10,616) We are above the 8-21 period EMA's with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 10,658 with the RSI at or below 43.5 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buyside. Upside moves that fail at or below USD 11,332 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Unchanged on the technical this morning, we remain bearish with the MA on the RSI implying that momentum is supported. However, as noted previously, our Elliott wave analysis continues to suggest that upside moves should be considered as countertrend. The futures are at an inflection point, as price is on the 55-period EMA; A close above that holds above the average will support a near-term bull argument, making USD 11,332 the key resistance to follow. If broken, then the probability of the futures trading to a new low will start to decrease. Likewise, failure to hold above the average will warn that the weekly pivot level (USD 10,200) could come under pressure.