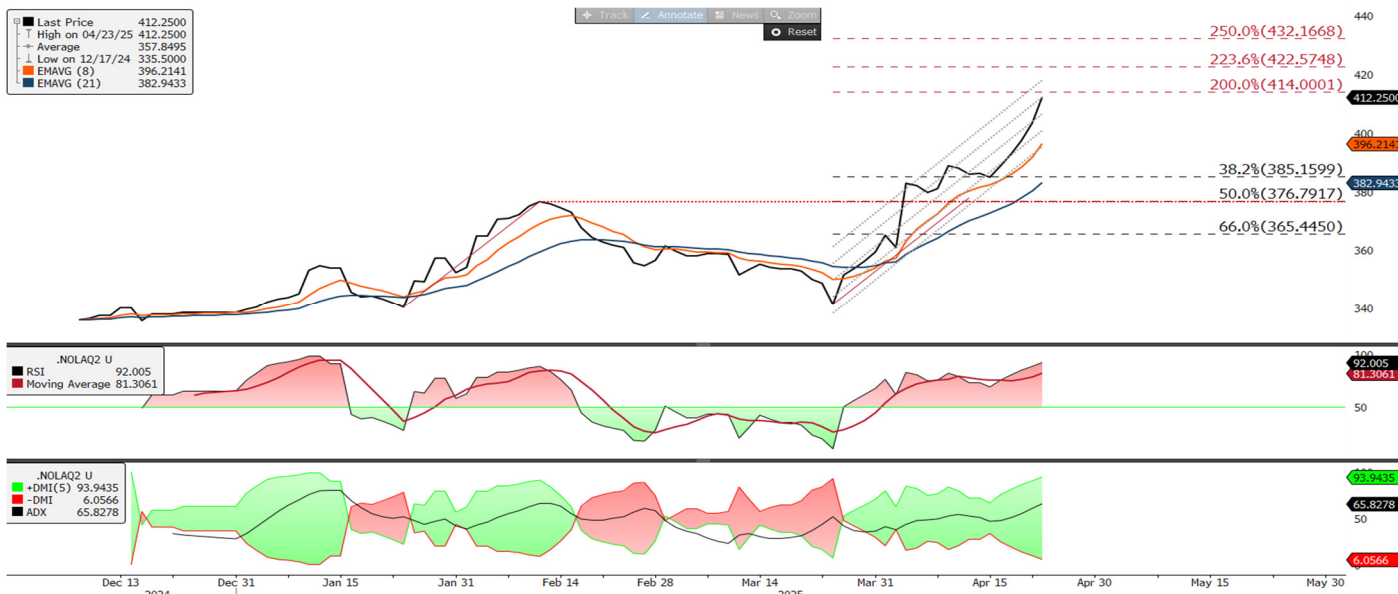




# Urea (Granular) FOB US Gulf Futures

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## Urea Q2



	Support	Resistance	Current Price	Bull	Bear
S1	385	R1	414	DMI bull cross	
S2	376	R2	422		
S3	365	R3	432		

### Synopsis - Intraday

Source Bloomberg

- Price is above the 34 - 55 period EMA's
- 6 - period RSI is above 50 (82)
- Directional Market Index (DMI) +
- Technically bullish on the last report, the MA on the RSI was starting to flatten, warning buyside momentum was slowing down, we also had a minor negative divergence with the RSI, implying caution on moves higher in the near-term. Price was testing the linear regression line (USD 389), which had the potential to act as a resistance. The technical was suggesting caution on higher moves; however, if we closed above and held above the USD 389 level, and traded above the USD 400 resistance, the current wave would be 161.8% longer than the previous bull move, suggesting downside moves should be considered as countertrend.
- The futures did close above and hold above the USD 389 level, resulting in price breaking the USD 400 Fibonacci resistance. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 365 will support a longer-term bull argument. Below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI implies that momentum is supported. The current move higher is greater than 161.8% of the previous wave, implying it is bullish impulse, suggesting downside moves should now be considered as countertrend. This is supported by the divergence failure, meaning the RSI has made a new high. Linear regression support is currently at USD 406, if we do see a close below this level, it will warn that the futures could be in the early stages of a corrective phase.

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