

Panamax July 25 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	9,400		RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8–21 period EMA's
- RSI is below 50 (44)
- Stochastic is overbought
- Price is on the daily pivot USD 9,408
- Technically bearish on the previous report just over a week ago, the MA on the RSI implied that momentum was weak, warning the USD 9,675 - USD 9,325 fractal support levels remained vulnerable. However, we highlighted that below USD 9,675 the futures would have entered a an Elliott wave 5 of the larger corrective wave C, warning the cycle could in theory terminate at any point below this level. We were still bearish, but mindful that the technical was warning that we could be nearing cycle completion.
- The June futures sold to a low of USD 8,900 before moving higher on the roll into July; however, the move lower looks to have created a lower timeframe Elliott wave extension with the RSI. We are above the 8-21 period EMA's with the RSI above 50, intraday price and momentum are aligned to the buyside, as the previous candle closed above the daily pivot level.
- A close on the 4-hour candle below USD 9,408 with the RSI at or below 35 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below 10,814 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 is supported at this point. However, the move to a low of USD 8,900 has resulted in a lower timeframe divergence failing, implying we are seeing an Elliott wave extension to the downside, suggesting upside moves have the potential to be countertrend in the near-term. If we do trade above the USD 10,814 resistance, then the probability of price trading to a new low will start to decrease, warning the lower timeframe wave cycle could fail.