

Panamax July 25 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	10,813	R1	11,191	11,075	RSI above 50	Stochastic overbought
S2	10,494	R2	11,675			
S3	10,369	R3	12,174			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8–21 period EMA's
- RSI is above 50 (63)
- Stochastic is overbought
- Price is below the daily pivot USD 11,191
- Technically bullish yesterday, the MA on the RSI implied that momentum was supported. However, the new high previously meant that we were in divergence with the RSI; not a sell signal, it warned that we could see a momentum slowdown. Technically, we had achieved our near-term upside target whilst in divergence, meaning we were cautious on higher moves from here whilst the divergence was in play. If the divergence failed, it would warn that we could be looking at an Elliott wave extension. We highlighted this, as we noted in the technical report on Tuesday that downside moves in the Q3 looked like they could be countertrend. We were a cautious bull.
- The futures traded to a high of USD 11,425 yesterday before seeing light selling pressure on the open this morning. We are above all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 10,708 with the RSI at or below 59.5 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buy side. Downside moves that hold at or above USD 10,369 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the upside move yesterday resulted in the divergence failing, lower timeframe Elliott wave analysis has confirmed that we have seen a bullish Elliott wave extension. Intraday downside moves should be considered as countertrend, making USD 10,369 the key support to follow, a move below this level will warn that the probability of price trading to a new high has started to decrease.