

Supramax July 25 Morning Technical Comment – 240 Min



	Support		Resistance		Current Price	Bull	Bear
S1	10,636	R1	10,905		10,775	RSI above 50	
S2	10,541	R2	11,125				
S3	10,550	R3	11,401				

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (59)
- Stochastic is below 50
- Price is above the daily pivot USD 10,541
- Technically bullish in the last report, we noted that if we traded below the USD 10,363 support, then the probability of price trading to a new high would start to decrease. On the chart, we highlighted three lows, which had created an inverse head and shoulders pattern, in theory, this was a bullish pattern. The failure to hold above the support zone highlighted yesterday (on chart, red bar), means the futures were back below the neckline breakout. The bullish pattern had not failed ; however, if we did not close back above and hold above the USD 10,650 level, then it would. Like the Capesize symmetrical triangle, the futures should be seeing bullish price action, yet we are back below the neckline, which was a concern.
- The futures tested the neckline yesterday and broke above it this morning. We are above all key intraday moving averages, supported by the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 10,541 with the RSI at or below 54 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 10,363 would support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI implies that we have light momentum support. The neckline breakout is indicating that there is an underlying support in the market, warning resistance levels are starting to look vulnerable. However, for upside continuation we will need to see a daily close that holds above the daily 200-period MA (USD 10,913). Conversely, market longs should act with caution if we start to close back below the neckline support (USD 10,550). Bullish signals today are warning we could move higher, the daily 200-period MA is going to be key to upside continuation.