

Supramax July 25 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	11,100	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (63)
- Stochastic is overbought
- Price is on the daily pivot USD 11,100
- Technically bullish yesterday, the MA on the RSI implied that we had momentum support. The futures were trading above the daily 200-period MA (USD 10,846), a close that held above the average will further support a bull argument. However, we remained in divergence with the RSI at this point, meaning we continued to a note of caution on upside moves whilst the divergence is in play. Like the Panamax, if the divergence failed, it will warn that we could be looking at a lower timeframe Elliott wave extension.
- The futures continued to move higher, resulting in the divergence failing. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 11,100 with the RSI at or below 60 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 10,586 would support a 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 divergence failure is warning that we could be looking at a Bullish Elliott wave extension; however, the lower timeframe cycle is less clear than the Panamax cycle. The RSI has made a new high, warning downside moves have the potential to be countertrend, making USD 10,654 the key support to follow. If broken, then the probability of price trading to a new high, will start to decrease.