

Panamax Aug 25 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	12,275	R1	13,325	13,075	RSI above 50	Stochastic overbought
S2	12,129	R2	13,725			
S3	11,441	R3	14,300			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (75)
- Stochastic is overbought
- Price is above the daily pivot USD 12,275
- Unchanged on the technical yesterday, we remained bullish with our Elliott wave analysis continuing to suggest that we had a potential upside target at USD 12,095 for this phase of the cycle. However, we were still in divergence with the RSI, warning buyside momentum could slow, which needed to be monitored. Downside moves below USD 11,033 would warn that the probability of the futures trading to a new high would start to decrease, whilst below USD 10,600 the technical would be bearish. However, corrective moves that held at or above USD 9,911 would warn that there was a larger bullish cycle coming into play.
- The futures had a strong move higher yesterday resulting in price trading above the USD 12,095 target. 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 12,275 with the RSI at or below 65.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 11,441 will 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 upside move has resulted in the 4-hour RSI making new highs, whilst the lower timeframe divergences have completely failed. This is telling us we are seeing another bullish extension within the Elliott wave cycle, meaning downside moves should be considered as countertrend, making USD 11,441 the key support to follow. A move below this level will warn that the probability of the futures trading to a new high will start to decrease. Having seen the divergence fail on the 25/6, we had not been expecting a second extension within this Elliott wave cycle, buyside momentum is strong with price now approaching daily resistance at USD 13,325; if we close and hold above this level, then we target the 161.8% Fibonacci projection at USD 14,595. Conversely, an intraday close below USD 12,362 will imply that intraday buyside pressure is easing.