

Panamax Aug 25 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	14,266	R1	15,118	14,850	RSI above 50	
S2	14,075	R2	15,625			
S3	13,840	R3	16,589			

Synopsis - Intraday

Source Bloomberg

- Price is between the 8—21 period EMA's
- RSI is above 50 (64)
- Stochastic is below 50
- Price is above the daily pivot USD 14,266
- Technically bullish yesterday, the MA on the RSI implied that momentum was weak; however, the move lower had held above the USD 13,325 support and failed to close below the USD 13,900 level. We noted on the close report previously that the weak close had warned we could see further downside, but this had not been the case. Having closed below the weekly pivot (USD 14,200), the futures were back above it yesterday. We noted that a daily close above the USD 14,200 with price and momentum aligned to the buy side would leave resistance levels vulnerable. We were seeing signs of support, but needed further conformation that the move higher was bullish, and not part of the corrective phase.
- The futures sold closed above the USD 14,200 level but price and momentum remained aligned to the sell side yesterday. We have seen light bid support this morning meaning price is above the daily pivot level; however, the RSI is below its average, meaning price and momentum are now conflicting. We are above all key moving averages with the RSI above 50.
- A close on the 4-hour candle above USD 14,266 with the RSI at or above 71 will mean price and momentum are aligned to the buy side; likewise, a close below this level will mean it is aligned to the sell side. Downside moves that hold at or above USD 12,360 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI continues to suggest that momentum remains weak; however, lower timeframe Elliott wave analysis is warning we have the potential for a wave extension, making USD 15,118 the key resistance to follow. A move above this level will warn that the USD 15,875 fractal high could be tested and broken; conversely, if rejected, it will suggest that there is further downside within this corrective phase. We have closed back above the weekly pivot level (USD 14,200), as highlighted yesterday, if price and momentum become aligned to the buy side, it will warn that resistance levels could be tested and broken. We are seeing bullish support, but like yesterday we still need to see more from the technical to convince resistance levels will be broken.

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