

Supramax Aug 25 Morning Technical Comment – 240 Min



	Support		Resistance	Current Price	Bull	Bear
S1	14,325	R1	14,897	14,600	RSI above 50	Stochastic overbought
S2	13,309	R2	15,375			
S3	12,749	R3	15,852			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (90)
- Stochastic is overbought
- Price is above the daily pivot USD 14,325
- The trend remained technically bullish yesterday with the MA on the RSI implying momentum was supported. Price was trading three standard deviations above the linear regression line, meaning it continued to look overextended to the upside. Elliott wave analysis suggested that downside moves should be considered as countertrend. If we closed below the low of the last dominant bull candle (USD 13,475) it would warn that sell side pressure was increasing, meaning we could be entering a countertrend move lower. Although overextended, the futures would need to see confirmation that we were entering a corrective phase, due to the strength of the underlying move.
- The futures traded to a high of USD 15,125 before seeing a light pullback. 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 14,325 with the RSI at or below 85 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 11,988 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 is supported. The upside move yesterday created two intraday Doji candlesticks, warning of indecision in the market. We did trade to a new high on the open; however the Doji's have been followed by upside rejection, warning buyside momentum could be slowing. If price and momentum become aligned to the sell side, it will warn that we could be entering a corrective phase. However, as noted previously, our Elliott wave analysis suggests that downside moves should be considered as countertrend.