

Supramax Sep 25 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	14,630	R1	15,200	15,125	RSI above 50	Stochastic overbought
S2	13,998	R2	15,500			
S3	13,225	R3	15,975			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (63)
- Stochastic is overbought
- Price is below the daily pivot USD 15,200
- Technically bullish yesterday, the MA on the RSI implies that momentum was supported. The new high meant that we had a potential upside target at USD 16,624 for this phase of the cycle; we noted that we had the 200-period weekly MA at USD 16,254, which had the potential to attract selling interest. We were in divergence with the RSI, not a sell signal, it warned that we could see a momentum slowdown which needed to be monitored. The Jan March move higher consisted of 5-waves, as had the April - August move. Both these waves were bullish impulse, indicating that there looks to a larger, bullish Elliott wave cycle in play. We noted that when we did complete the current cycle, we should enter a countertrend Elliott wave 4, this in theory should be deeper than the last pullback due to it being a higher timeframe cycle, making USD 11,622 the key support to follow.
- Having traded to a high of USD 15,500 on the open yesterday, the futures have since seen a small pullback. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 15,200 with the RSI at or below 62.5 will mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above 67 will mean it is aligned to the buy side. Downside moves that hold at or above USD 13,998 will support a bull argument, below this level the technical will have a neutral bias (for this phase of the cycle).
- Technically bullish, the MA on the RSI implies that momentum is supported; however, the RSI is starting to cross the average, warning momentum could be starting to turn lower. As highlighted yesterday, the futures are in divergence with the RSI, warning we could see a momentum slowdown, which will need to be monitored. Elliott wave analysis suggests we have a potential upside target at USD 16,624 for this phase of the cycle; due to there been a higher timeframe bullish cycle in play, key longer-term support is at USD 11,622. A cautious bull.