

Panamax Oct 25 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	14,453	R1	15,133	14,725	Stochastic oversold	RSI below 50
S2	13,560	R2	15,928			
S3	12,675	R3	16,935			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (44)
- Stochastic is oversold
- Price is below the daily pivot USD 15,133
- Technically bullish but in a corrective phase on Thursday, the MA on the RSI implied that we have light momentum weakness. As highlighted previously, the RSI had broken near-term resistance, warning intraday downside moves could be countertrend; however, if we trade below USD 14,453 it would warn that we could be entering the higher timeframe corrective phase. At that point, near-term resistance continued to remain vulnerable, USD 14,453 was the lower timeframe wave support to follow.
- The futures have rolled into October with price continuing to sell lower. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 15,133 with the RSI at or above 61.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 11,475 will support the longer-term bullish Elliott wave cycle, below this level the technical will have a neutral bias.
- We remain bullish but in a corrective phase with the MA on the RSI implying that momentum remains weak. The futures have tested but are holding above the USD 14,453 support; however, we are below the 55-period EMA (USD 14,760), whilst below the average support levels are vulnerable. A close back above the EMA will indicate that there is an underlying support in the market. As noted previously, there is a larger bullish Elliott wave cycle in play, if we trade below USD 14,453, then the probability of the futures trading to a new high in the lower timeframe cycle will start to decrease, warning that the probability that we have entered the higher timeframe correction will start to increase. At this point, we are at an inflection point as we are on the 55-period EMA, downside moves are still considered as countertrend.