

Panamax Oct 25 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	15,508	R1	16,450	16,200	RSI above 50	Stochastic overbought
S2	14,933	R2	16,935			
S3	13,560	R3	18,107			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (62)
- Stochastic is overbought
- Price is above the daily pivot USD 15,508
- Technically bullish yesterday, we remained in a corrective phase with the MA on the RSI implying we had light momentum support. Our Elliott wave analysis suggested that downside moves should be considered as countertrend; however, as noted previously, if this was the higher timeframe correction, we should in theory test the Fibonacci support zone. A close below the low of the last dominant intraday bull candle (USD 14,650) would warn that support levels could come under pressure. Due to the divergences above USD 16,450, we remain cautious on upside moves in the near-term.
- The futures continue to move higher with price above the USD 15,609 resistance, indicating we were not in the higher timeframe correction. 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 15,508 with the RSI at or below 51 will mean price and momentum are aligned to the sell side. 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.
- Technically bullish, the MA on the RSI implies that momentum is supported, whilst the move above the USD 15,609 resistance is now warning the USD 16,450 fractal high could be tested and broken; this would suggest that we are still in the lower timeframe bull cycle, despite the deep pullback. However, this does not change our near-term technical view, we continue to be cautious on upside breakouts as price will be in divergence. Only if we see a lower timeframe Elliott wave extension will this view change. We should trade to a new high from here, but from a technical perspective, the futures are not considered a buy.