

Panamax Oct 25 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	14,401	R1	15,183	14,850		RSI below 50
S2	13,917	R2	15,702			
S3	12,625	R3	16,410			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (47)
- Stochastic is overbought
- Price is below the daily pivot USD 15,183
- Technically bullish yesterday, the MA on the RSI implied that we had light momentum support. As highlighted previously, whilst above the USD 13,917 level, resistance remained vulnerable. If we rejected the USD 15,702 level, it would warn that the corrective phase is becoming more complex, warning we could see further downside; If broken, then market buyers would look to test the USD 16,450 fractal high. We had support in the market, but needed to see how we react to the USD 15,702 resistance.
- The futures traded to a high of USD 15,350 before selling lower, meaning we look to be in the process of rejecting the USD 15,702 resistance. Price is below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 15,183 with the RSI at or below 44.5 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buy side. Downside moves that hold at or above USD 13,917 will support a near-term bull argument, below this level the technical will have a neutral bias. However, key longer-term support on the higher timeframe Elliott wave cycle is at USD 11,475.
- Bullish but in a corrective phase, the MA on the RSI continues to suggest that momentum is supported at this point. We remain below the USD 15,702 resistance; if price and momentum become aligned to the sell side, then the USD 14,401—USD 13,917 support zone could come under pressure. USD 14,401 is two standard deviations below the linear regression line, meaning if tested the futures will start to look overextended to the sell side. However, if the USD 13,917 level is breached, then the probability of price trading to a new high for this phase of the cycle will decrease. We look to have seen upside rejection, but need to see price and momentum become aligned to the sell side for support to come under pressure.