

Supramax Oct 25 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	16,166	R1	16,981	RSI above 50	Stochastic overbought
S2	15,075	R2	17,441		
S3	14,534	R3	18,097		

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (58)
- Stochastic is overbought
- Price is above the daily pivot USD 16,166
- Technically bullish on Friday, the MA on the RSI implied that we had light momentum support, whilst the upside move previously had breached the USD 16,436, indicating buyside pressure had increased. However, due to the negative divergence in play, and the threat of further divergences on an upside breakout, we continued to be cautious on upside moves in the near-term. The longer-term wave cycle did indicate that downside moves should be considered as countertrend, but at that point, the technical suggested that there should be further downside within the corrective phase. A close below the 55-period EMA (USD 15,622) would imply sell side pressure was increasing, leaving the Fibonacci support zone vulnerable.
- The futures remain supported with price seeing a small move higher on the open. 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 16,166 with the RSI at or below 50 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 14,534 will support a bull argument, below this level the technical will have a neutral bias (for this phase of the lower timeframe cycle). Key longer-term support on the higher timeframe cycle is at USD 12,158.
- Technically bullish, the MA on the RSI implies that momentum is supported. Elliott wave analysis suggests that downside moves should be considered as countertrend. However, the futures are above all key moving averages with price moving higher, indicating price action is currently supported. Our issue on the technical is that we have two divergence in play, meaning we remain cautious on upside moves in the near-term, as momentum suggests that they could struggle to hold.