

Supramax Oct 25 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	15,866	R1	16,150		
S2	15,075	R2	16,477		
S3	14,318	R3	17,200		
			15,875		Stochastic overbought

Synopsis - Intraday

Source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is below 50 (59)
- Stochastic is overbought
- Price is below the daily pivot USD 16,150
- The futures remained bullish with a neutral bias, the MA on the RSI implied that we had light momentum support. We noted previously that a 5-wave pattern lower suggested we were on the 1st leg of a complex corrective phase (5-3-5), making USD 16,477 the key resistance to follow. Above this level the technical would be back in bullish territory, bringing into question our pattern analysis, as it would warn that the USD 17,200 fractal resistance could be tested and broken. If it was, then we were looking at a bullish Elliott wave extension, as the futures traded down to but not below the USD 15,075 support. USD 16,477 was a key level on the technical.
- The futures traded to a high of USD 16,350 before seeing a small move lower on the open this morning. We are between the 8-21 period EMA's with the RSI near neutral at 49, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 16,150 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 12,207 will support a long-term bull argument.
- Bullish with a neutral bias, the MA on the RSI implies that momentum is supported; however, we have seen a 5-wave pattern lower whilst price seems to be in the process of rejecting the USD 16,477 level. The stochastic is overbought whilst the RSI is crossing below 50. If the RSI holds below 50, then momentum suggests that we could see another move lower; conversely, if the RSI moves above 50, then the stochastic becomes less relevant. Whilst below USD 16,477 we remain cautious on upside moves.