

Supramax Dec 25 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	15,850	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (57)
- Stochastic is below 50
- Price is above the daily pivot USD 15,741
- Technically bullish yesterday, the MA on the RSI implied that momentum remained weak at that point. The futures had held above the 200-period MA, suggesting there was underlying support in the market, warning resistance levels were vulnerable. However, market buyers should be cautious until price and momentum become aligned to the buy side. Failure to do so would leave the intraday 200-period MA vulnerable.
- Price and momentum failed to become aligned to the buy side yesterday, resulting in a small move lower. However, price has opened with light bid support this morning, putting price just below yesterday's morning levels. We are above all key moving averages supported by the RSI above 50, intraday price and momentum continue to conflict.
- A close on the 4-hour candle above USD 15,741 with the RSI at or above 61.5 will mean price and momentum are aligned to the buy side; likewise, a close below this level will mean it is aligned to the sell side. Downside moves that hold at or above USD 14,617 will support a bull argument, below this level the technical will have a neutral bias.
- Unchanged on the technical this morning, the MA on the RSI implies that we have light momentum weakness (light, as it is starting to flatten) whilst price remains above the intraday 200-period MA (USD 15,276). Upside moves above USD 15,975 fractal resistance will imply buy side pressure is increasing, warning the USD 16,300—USD 16,350 resistance zone could come under pressure. However, with the MA on the RSI implying momentum weakness, we would still like to see price and momentum become aligned to the buy side, alongside a fractal breakout, otherwise a move higher will lack technical conviction. Market bulls should be cautious on a close that holds below the intraday 200-period MA, as it will leave the Fibonacci support zone vulnerable.