

## Supramax Dec 25 Morning Technical Comment – 240 Min



|    | Support |    | Resistance |  | Current Price | Bull         | Bear |
|----|---------|----|------------|--|---------------|--------------|------|
| S1 | 16,126  | R1 | 16,300     |  | 16,200        | RSI above 50 |      |
| S2 | 15,799  | R2 | 16,712     |  |               |              |      |
| S3 | 15,400  | R3 | 17,022     |  |               |              |      |

### Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (58)
- Stochastic is above 50
- Price is below the daily pivot USD 16,258
- Technically bullish yesterday, the MA on the RSI implied that we had light momentum support. Countering this, the upside move above USD 16,350 meant that we had a negative divergence with the RSI. Not a sell signal, it warned that we could see a momentum slowdown, making USD 15,799 the key support to follow. If broken, then the probability of the futures trading to a new high would start to decrease. Fibonacci projection levels suggest that we had a potential upside target for this phase of the cycle at USD 17,022, whilst we had fractal resistance at USD 17,200. The divergence meant that we have a note of caution on upside moves. We noted that as we had broken fractal resistance, downside moves should not automatically be expected to be countertrend, as we were on a lower timeframe Elliott wave 5.
- The futures traded to a low of USD 16,075 before finding light bid support, we are above all key moving averages with the RSI above 50, intraday price and momentum are now conflicting.
- A close on the 4-hour candle below USD 16,300 with the RSI at or below 56.5 will mean price and momentum are aligned to the sell side; likewise, a close above this level with the RSI at or above 60.5 will mean it is aligned to the buy side. Downside moves that hold at or above USD 15,799 will support a bull argument, below this level the technical will have a neutral bias.
- Unchanged on the technical today, we remain bullish with the MA on the RSI implying that we have light momentum support. However, we remain in divergence with the RSI. Not a sell signal, it warns that we could see a momentum slowdown, making USD 15,799 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease. Fibonacci projection levels suggest that we have a potential upside target for this phase of the cycle at USD 17,022, whilst we have fractal resistance at USD 17,200. The divergence means we now have a note of caution on upside moves. Downside moves should not automatically be expected to be countertrend, as we are on a lower timeframe Elliott wave 5.

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