

Supramax Dec 25 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	15,700		RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (49)
- Stochastic is below 50
- Price is below the daily pivot USD 16,083
- Unchanged on the technical yesterday, we remained bullish with the MA on the RSI implying that we had light momentum support. However, we remained in 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 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 meant that we had a note of caution on upside moves. We noted that downside moves should not automatically be expected to be countertrend, as we were on a lower timeframe Elliott wave 5.
- The futures have sold lower on the divergence with price trading below the USD 15,799 support. We are below the 8-21 period EMA's with the RSI near-neutral at 49, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 16,083 with the RSI at or above 59.5 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 16,277 will leave the futures vulnerable to further tests to the downside, above this level the technical will be back in bullish territory.
- Technically bullish but with a neutral bias, the probability of the futures trading to a new high has started to decrease. The MA on the RSI implies that momentum is starting to show signs of light weakness, whilst price is on an Elliott wave 5 but corrective, suggesting the USD 15,550 fractal support could be tested and broken. If it is, then the technical will be bearish. With price moving lower on the divergence whilst on an Elliott wave 5, coupled with a deep pullback, we are now cautious on upside moves, as support levels are vulnerable.