

Urea Nov 25



Support		Resistance		Previous Close	Bull	Bear
S1	375	R1	399			
S2	356	R2	408			
S3	349	R3	419			

Synopsis - Intraday

Source Bloomberg

- Price is above the 34 - 55 period EMA's
- 6 - period RSI is above 50 (60)
- 5—period Directional Market Index (DMI) +
- Technically bearish on the last report, the MA on the RSI implied that momentum was supported. However, as highlighted previously, we looked to be in a complex Elliott wave correction, suggesting upside moves should be considered as countertrend. The ADX has dropped to 35, indicating sell side pressure had slowed, warning resistance levels could come under pressure in the near-term. Key resistance was unchanged, above USD 422 the probability of the futures trading to a new low would start to decrease. Due to the divergence in play, we remained cautious on downside moves at those levels, as they could struggle to hold.
- The futures sold to a low of USD 373.5 before moving higher on the divergence, we are above all key moving averages supported by the RSI above 50.
- Upside moves that fail at or below USD 419 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI implies that momentum is supported at this point, warning resistance levels remain vulnerable. If the RSI starts moving below its MA, it will indicate that sell side pressure is increasing, warning support levels could come back under pressure. We maintain our view that we look to be in a complex Elliott wave correction, meaning upside moves should in theory be countertrend. However, above USD 419 the probability of the futures trading to a new low will start to decrease, warning there is a higher probability of the bearish cycle failing.