

Supramax Jan 26 Morning Technical Comment – 240 Min



	Support		Resistance		Current Price	Bull	Bear
S1	11,822	R1	12,375		11,875	Stochastic oversold	RSI below 50
S2	11,675	R2	12,818				
S3	11,527	R3	13,125				

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (29)
- Stochastic is oversold
- Price is below the daily pivot USD 12,375
- Technically bearish yesterday, the MA on the RSI implied that momentum was weak. The divergence failure warned that Fibonacci support levels were vulnerable. However, USD 12,300 was the 100% Fibonacci projection of the initial move lower. We noted that this level had the potential to attract bid support (A-B = C-D pattern), suggesting market sellers should be cautious around this area. Our Elliott wave analysis continued to suggest that upside moves should be considered as countertrend, making USD 13,753 the key resistance to follow. Above this level the probability of price trading to a new low would start to decrease.
- The futures have sold through the USD 12,300 Fibonacci support, resulting in price trading to a low of USD 11,825 on the open today. We remain below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 12,375 with the RSI at or above 39 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 13,753 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 weak, whilst our Elliott wave analysis suggests that upside moves should be considered as countertrend, making USD 13,541 the key resistance to follow. If broken, then the probability of price trading to a new low will start to decrease. A close above the high of the last doming bear candle (USD 12,450) will indicate that buyside pressure is increasing, warning resistance could come under pressure in the near-term.