

Panamax Feb 26 Morning Technical Comment – 240 Min

Support	Resistance	Current Price	Bull	Bear
S1	10,300	R1	10,816	
S2	10,100	R2	11,155	
S3	8,626	R3	11,300	

Synopsis - Intraday

- Price is below the 8–21 period EMA's
- RSI is below 50 (41)
- Stochastic is below 50
- Price is below the daily pivot USD 10,816
- Technical Outlook: Bearish. The technical outlook remained bearish of Friday with Elliott Wave analysis continuing to suggest that any upside moves should be treated as counter-trend. As previously highlighted, a sustained close above the 55-period EMA would indicate increasing intraday buy-side pressure, warning that the Fibonacci resistance zone could be tested. On the downside, the market had formed a three-wave advance, with price failing to hold above the medium-term average. As a result, we remained cautious on upside moves, as pattern analysis continued to suggest that support levels could come back under pressure.
- The futures have rejected the 55-period EMA (USD 11,105) resulting in price selling lower. We are 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 10,816 with the RSI at or above 49.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 14,720 will warn that there is further downside within the corrective phase, above this level the technical will have a neutral bias.
- Technical Outlook: Bearish. The recent rejection of the 55-period EMA, combined with the 3-wave advance suggest caution, as the technical maintains a bearish bias. A move below USD 10,350 would further weaken the technical outlook and increase the likelihood that that USD 10,100 fractal low could be tested and potentially broken. A new low below USD 10,100 will trigger a positive divergence with the RSI, not a buy signal, it would need to be closely monitored. On the upside, a sustained move that holds above the 55-period EMA would indicate strengthening in buy-side pressure. In that scenario, pattern analysis would then favour a double 3 wave structure, warning the Fibonacci resistance zone could come under pressure in the near-term.

Source Bloomberg