

## Urea Feb 26



Support	Resistance	Previous Close	Bull	Bear
S1	R1	393	RSI above 50	DMI +
S2	R2			
S3	R3			

### Synopsis - Intraday

Source Bloomberg

- Price is above the 34 - 55 period EMA's
- RSI is above 50 (56)
- 14—period Directional Market Index (DMI) +
- Technically we remained bearish with the MA on the RSI implying we have light momentum weakness on the last report. The futures had found light bid support above the USD 347 level, leaving price vulnerable to a move higher. The ADX was at 34 implying we remain in a bearish trending environment, warning upside moves still have the potential to be countertrend at that point, making USD 386 the key resistance to follow. Upside moves that failed at or below this level would leave support levels vulnerable; conversely, above this level the probability of the futures trading to a new low would start to decrease. We were a cautious bear at those levels due to the USD 347 support, as the A-B = C-D pattern was an area that could attract market buyers.
- The futures sold to a low of USD 350 before finding light bid support. We remain below all key moving averages supported by the RSI below 50.
- The Jan futures held the A-B = C-D pattern resulting in price trading above our key resistance at USD 386, this has reduced the probability of price trading to a new low. We have since rolled in to the Feb 26 contract. The futures are moving higher with price above all key moving averages and key resistance (USD 390), the RSI is above 50.
- Downside moves that hold at or above USD 367 will support a near-term bullish outlook; however, a decisive break below this level would signal that the technical picture has shifted back into bearish territory.
- Technical outlook: Bearish with a neutral bias. The upside move above USD 390 has reduced the probability of price trading back to new lows, making USD 367 the key support to monitor. A break below USD 367 would signal that the technical has re-entered bearish territory, at which point, the USD 352 fractal low would become vulnerable. Conversely, a technical throwback that holds above USD 367 would imply the presence of underlying support within the market. The ADX initially declined to 21 but has since recovered to 24.99 on the recent move higher. A sustained move above 25 would suggest the market is transitioning into a trending environment, further supporting a bullish scenario and warning that resistance levels could be tested and potentially broken. Momentum indicators show strength following a break of key resistance, implying that corrective moves lower should be approached with caution.

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