

FIS Urea (Granular) FOB US Gulf Futures

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

Urea March 26 (rolling contract)



Support		Resistance		Previous Close	Bull	Bear
S1	407	R1	422	417.5	RSI above 50	DMI +
S2	401	R2	430			
S3	392	R3	440			

Synopsis - Intraday

Source Bloomberg

- Price is above the 34 - 55 period EMA's
- RSI is above 50 (67)
- 14—period Directional Market Index (DMI) +
- Bearish with a neutral bias last week. The upside move above USD 390 had 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 had re-entered bearish territory, at which point, the USD 352 fractal low would become vulnerable. Conversely, a technical throwback that held 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 was transitioning into a trending environment, further supporting a bullish scenario and warning that resistance levels could be tested and potentially broken. Momentum indicators showed strength following a break of key resistance, implying that corrective moves lower should be approached with caution.
- The futures closed at a high of USD 415 on the 15/01/ on the back of the momentum strength, meaning the technical is bullish based on price, we have now looking at the rolling contract (March). We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 401 will support a bull argument, below this level the technical will have a neutral bias.
- Technical Outlook: Bullish. The recent rally above the USD 403 fractal resistance confirms that the technical is bullish based on price. The ADX at 28 indicates we have entered a trending environment; however, the RSI moving averages suggests that momentum support remains light at this point. Fibonacci projection levels identify a near-term upside target at USD 422. A sustained break above this level would open the door for a move towards USD 440, which represents the 100% Fibonacci projection. On the downside, a move below USD 401 would weaken the near-term technical structure and warn of a potential test of the USD 392 fractal support. A break below USD 392 would shift the price-based technical bias to bearish. That said, corrective throwbacks that hold above USD 374 would continue to underpin the longer-term bullish structure. While the outlook remains bullish, sustained upside continuation from current levels would ideally be confirmed by a close that holds above USD 422, preferably accompanied by the RSI moving average turning higher.

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at freightinvestorservices.com