



Urea (Granular) FOB US Gulf Futures

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Urea March 26 (rolling contract)



Support		Resistance		Previous Close	Bull	Bear
S1	417	R1	440		RSI above 50	DMI +
S2	406	R2	453			
S3	392	R3	464			

Synopsis - Intraday

Source Bloomberg

- Price is above the 34 - 55 period EMA's
- RSI is above 50 (71)
- 14-period Directional Market Index (DMI) +
- Technical Outlook last week: Bullish. We noted previously that the recent rally above the USD 403 fractal resistance confirmed that the technical was bullish based on price. The ADX at 28 indicated that we had entered a trending environment; however, the RSI moving average suggested that momentum support remained light at that 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 held 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 held above USD 422, preferably accompanied by the RSI moving average turning higher.
- The futures produced a sustained close above the USD 422 level supported by the RSI returning higher, resulting in price move above the USD 430 level, but remaining below the USD 440 resistance at this point. Price is above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 406 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Bullish.
- RSI moving averages continue to indicate supported momentum, with the RSI making new highs alongside price action. This suggests that any downside moves should be viewed as corrective and countertrend in nature, with USD 406 acting as the key support level to monitor. A break below USD 406 would weaken the near-term bullish structure and reduce the probability of fresh highs. On the upside, the ADX at 37 implies we are in a trending environment, while Fibonacci projection levels indicate that the USD 440 resistance is increasingly vulnerable. A sustained close and hold above this level would open the door for a move toward the USD 453 and USD 464 resistance levels.