

Supramax March 26 Morning Technical Comment – 240 Min**Synopsis - Intraday**

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (68)
- Stochastic is overbought
- Price is below the daily pivot USD 15,091
- Technical outlook Thursday: Cautious bull. We noted last week that we had a potential upside target at USD 13,539 for this phase of the cycle; however, we continued to have a note of caution due to the divergence, as this would need to be closely monitored. While above USD 12,182 the futures remained in bull territory, meaning resistance levels would be vulnerable; although we had a cautious note, the RSI was above 50 with the stochastic at 30, this momentum play did warn that the USD 12,875 fractal high could be about to come back under pressure in the near-term.
- The futures remained supported during Thursday's session before gapping higher on the roll into the March contract. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are conflicting, as price has since entered a corrective phase.
- A close on the 4-hour candle below USD 15,091 with the RSI at or below 63.5 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buy side. Downside moves that hold at or above USD 13,159 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Bullish.
- The roll into the March contract, and the subsequent gap higher has resulted in a bullish Elliott wave extension, indicating downside moves should be considered as countertrend. Price is now in a corrective phase as the move higher has created a mean reversion gap with the 55-period MA (USD 12,701). However, as price falls, the average will be rising, so the gap should soon be at more realistic levels. We identify USD 13,159 as the key support to follow, while above this level we have a note of caution on downside moves. A break below this level will warn that the probability of price achieving new highs will begin to decrease.