

Supramax March 26 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	14,675	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is above 50 (65)
- Stochastic is above 50
- Price is below the daily pivot USD 14,750
- Technical outlook Tuesday: Bullish. We noted yesterday that the roll into the March contract, and the subsequent gap higher had resulted in a bullish Elliott wave extension, indicating downside moves should be considered as countertrend. Price was now in a corrective phase as the move higher had created a mean reversion gap with the 55-period MA (USD 12,701). However, as price fell, the average would be rising, so the gap would soon be at more realistic levels. We identified USD 13,159 as the key support to follow, while above this level we had a note of caution on downside moves. A break below this level would warn that the probability of price achieving new highs would begin to decrease.
- The futures sold to a low of USD 14,425 before finding light bid support. Price is now between the 8-21 period EMA's with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 15,147,500 with the RSI at or above 71.5 will mean price and momentum are 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 futures remain in a corrective phase with our Elliott wave analysis continuing to suggest that downside moves should be considered as countertrend, providing we hold above the USD 13,159 support. A break below USD 13,159 would weaken the broader structure, warning that probability of price trading to a new high would begin to decrease. With price approaching the Fibonacci support zone while between the faster moving EMA's, we are becoming more cautious on corrective moves lower at these levels.