

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 (61)
- Stochastic is below 50
- Price is above the daily pivot USD 15,725
- Technical outlook Tuesday: Cautious Bull. Unchanged on the technical previously, we remain in a bullish trending environment with the RSI breaching near-term resistance, warning that momentum remains supported. However, price remained in divergence with the RSI, warning we continue to be vulnerable to a momentum slowdown. A close below the secondary trend support at USD 15,355 would warn sell side pressure was increasing, leaving primary trend support at USD 14,718 vulnerable. However, our Elliott wave analysis did suggest that downside moves should be considered as countertrend, making USD 13,372 the key support to follow. Below this level the probability of price trading to a new low will begin to decrease.
- The futures have held secondary trend support at USD 15,560 resulting in a small move higher. Price is above all key moving averages with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 15,725 with the RSI at or above 64 will mean price and momentum are aligned to the buy side; likewise, a close below this level will mean it is aligned to the sell side. Downside moves that hold at or above USD 13,372 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Cautious bull
- The futures are holding secondary trend support but the RSI remains below its moving average. If price and momentum become aligned to the buy side then the USD 16,375 resistance could be tested and broken. As highlighted previously, we have a note of caution on upside breakouts as price will be divergent with the RSI, warning buy-side momentum could slow down. A close below trend support at USD 15,560 will warn that sell - side pressure is increasing, leaving primary trend support at USD 15,099 vulnerable. It is important to note that the broader trend (Elliott wave) remains bullish, suggesting downside moves should be considered as countertrend, providing throwbacks hold above the USD 13,372 level.