

Supramax March 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	15,650	R1	16,659	15,750	RSI above 50	
S2	15,375	R2	17,350			
S3	14,636	R3	18,040			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (56)
- Stochastic is below 50
- Price is above the daily pivot USD 15,650
- Technical outlook Thursday: Cautious bull
- The futures were holding secondary trend support yesterday but the RSI remained below its moving average. If price and momentum became aligned to the buy-side then the USD 16,375 resistance could be tested and broken. As highlighted previously, we had a note of caution on upside breakouts as price would be divergent with the RSI, warning buy-side momentum could slow down. A close below trend support at USD 15,560 would warn that sell - side pressure was increasing, leaving primary trend support at USD 15,099 vulnerable. We noted that the broader trend (Elliott wave) remained bullish, suggesting downside moves should be considered as countertrend, providing throwbacks held above the USD 13,372 level.
- The futures closed below secondary trend support yesterday at USD 15,735; however., the move lower has held the primary trend support at USD 15,375, resulting in light bid support on the open. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 15,650 with the RSI at or above 61.5 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 Thursday: Cautious bull
- The Broader Elliott wave cycle remains bullish with downside moves considered as countertrend, providing we hold above the USD 13,372 support. Below USD 13,372 the probability of price trading to a new high will begin to decrease. The upside move on the open means that the futures are trading just above the secondary trend support line at USD 15,735: a close that holds above the support line will leave resistance levels vulnerable in the near-term. However, countering this, price has sold lower on a negative divergence (multiple divergences) with the RSI and price making new lows yesterday (bearish intraday momentum confirmation), meaning we maintain a cautious approach on higher moves at his point, as they could struggle to hold.

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