

Urea April 26



Support	Resistance	Previous Close	Bull	Bear
S1	598	R1	725	
S2	569	R2	747	
S3	528	R3	769	
		695	RSI above 50	DMI +

Synopsis - Intraday

Source Bloomberg

- Price is above the 34 - 55 period EMA's
- RSI is above 50 (84)
- 14—period Directional Market Index (DMI) +
- Technical outlook previously: Bullish—Downside moves considered as countertrend.
- We noted previously that the acceleration in upside price action due to the war in the middle east suggested that downside moves should be considered as countertrend, making USD 488 the key near-term support to follow. The futures were showing a minor divergence with the RSI, warning buy-side momentum could slow; however, if the divergence failed, resistance will come under further pressure. We noted that like oil, the current moves were not technically driven. With the situation in Iran, it would be hard to advocate a sell, even if the divergence was more prominent, as there was a high probability the divergence will fail.
- The futures moved higher, resulting in the divergence failing. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 428 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Downside moves considered as countertrend.
- Less a technical, more a guideline of where support and resistance levels currently are. Downside moves are still considered as countertrend, this is based on the strength of the upside move, and the ongoing situation in the Middle-East, making USD 528 the key support to follow. Downside moves below USD 528 will be considered as deep into the last bull move, meaning the probability of price trading to a new high would have started to decrease. Above USD 695 price will be in divergence with the RSI, not a sell signal, it warns that we could see a momentum slowdown, which will need to be monitored. Near-term resistance is between USD 725—USD 769.