



# Urea (Granular) FOB US Gulf Futures

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## Urea May 26



	Support	Resistance	Previous Close	Bull	Bear
S1	625	R1	701	657.5	RSI below 50
S2	590	R2	747		
S3	543	R3	769		

### Synopsis - Intraday

Source Bloomberg

- Price is above the 30 - 60 period EMA's
- RSI is below 50 (49)
- 14—period Directional Market Index (DMI) -
- Technical outlook previously: Downside moves considered as countertrend.
- Less a technical previously, more a guideline of where support and resistance levels currently were. Downside moves were still considered as countertrend, this was based on the strength of the upside move, and the ongoing situation in the Middle-East, making USD 528 the key support to follow. Corrective moves below USD 528 would 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 would be in divergence with the RSI, not a sell signal, it warned that we could see a momentum slowdown, which would need to be monitored. Near-term resistance was between USD 725—USD 769.
- The futures into the resistance zone to a high of USD 737.5 before entering a corrective phase. We are between the the EMA support band with the RSI near neutral at 49.
- Downside moves that hold at or above USD 543 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Downside moves considered as countertrend.
- The futures have entered a corrective phase with the RSI moving averages implying that momentum is weak. Upside moves that fail at or below USD 701 will leave price vulnerable to further tests to the downside, suggesting the correction could be becoming more complex. Conversely, a move above USD 701 would signal an increase in buy-side pressure. Based on the strength of the upside move and the bullish momentum confirmation previously, we maintain our view that downside moves should be considered as countertrend. We identify USD 543 as the key support to follow. Throwbacks below this level will reduce the probability of new highs being achieved.

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