



Urea (Granular) FOB US Gulf Futures

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Support	Resistance	Previous Close	Bull	Bear
S1	R1	547.5		RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 30 - 60 period EMA's
- RSI is below 50 (29)
- 14—period Directional Market Index (DMI) -
- Technical outlook previously: Downside moves considered as countertrend.
- We remained in a corrective phase last week with the RSI moving average implying momentum was weak. We had a 3-wave pattern lower with a 100% Fibonacci projection at USD 555, meaning we have a support zone USD 555—USD 543, we noted that this would be a key area if tested. Upside moves that failed at or below USD 685 would leave the futures vulnerable to further tests to the downside, implying the correction would be a complex W, X, Y pattern. Market sellers should be cautious if the RSI closes above its moving average, as it would signal buyside momentum is on the increase, warning price would be vulnerable to a move higher.
- The futures have continue to sell lower with price in the support zone highlighted last week. We are above all key moving averages with the RSI below 50.
- 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: key support being tested.
- The futures remain in a corrective phase with the RSI moving average signaling momentum remains weak at this point. The futures are approaching key support at USD 543, if broken, then the probability of the futures achieving new highs will begin to decrease. While above USD 543 resistance is considered as vulnerbale; however, market buyers should look for the RSI to close above its moving average supported by price closing above its 30—period EMA

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