Panamax Intraday Morning Technical

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Panamax Aug 26 Morning Technical Comment – 240 Min

Support		Resistance		Current Price	Bull	Bear
S1	19,173	R1	19,633	19,300	RSI below 50	
S2	18,923	R2	19,721			
S3	18,583	R3	20,148			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (44)
- Stochastic is at 50
- Price is below the daily pivot USD 19,633
- Technical outlook previously: Inflection point
- Unchanged on the technical yesterday. We were trading just below the rising trend support line at USD 19,649, meaning we were at an inflection point. Our Elliott wave analysis continued to suggest that upside moves should be considered as countertrend, providing we remained below the USD 20,605 resistance. We noted that the daily RSI was near-neutral at 49; if it failed to reclaim 50, then support levels will come under pressure. We were neutral, but our bias is to the downside.
- The futures are now selling below the trend support line. We are below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 19,633 with the RSI at or above 58 would mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 20,605 will leave the futures vulnerable to further tests to the downside.
- Technical outlook: Sell side pressure increasing
- Both price and the RSI have closed below the trend support line, both are moving lower, meaning we have bearish momentum confirmation. The trend breaks signal an increase in sell side pressure, warning support levels are vulnerable. Having failed to hold above 60, 40 will be a key level on the RSI; if it holds, it will warn that there is an underlying support in the market. Conversely, a close and hold below the 40 level will warn of further momentum deterioration within the technical. Our Elliott wave analysis does suggest that upside moves should be considered as countertrend; however, if we close and hold back above the trend support line at USD 19,721 then market sellers should act with caution, as it would warn that sentiment could be turning bullish.