Panamax Intraday Morning Technical

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Panamax Aug 26 Morning Technical Comment – 240 Min

Support		Resistance		Current Price	Bull	Bear
S1	18,414	R1	18,541	18,500	RSI below 50	Stochastic oversold
S2	17,925	R2	19,011			
S3	17,447	R3	19,456			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (33)
- Stochastic is oversold
- Price is below the daily pivot USD 18,541
- Technical outlook previously: Support vulnerable
- We noted yesterday that Elliott wave analysis continued to suggest that upside moves should be considered as countertrend, while the trend break continued to warn that support levels were vulnerable. The RSI moving average implied that momentum remained weak at that point; however, below 18,550 we could potentially have a minor positive RSI divergence. The divergence was a condition that warned that we could see a momentum slowdown, it was not a buy signal, we would need to see confirmation from bullish price action. Conversely, if the divergence failed, and the RSI breaches the 30 level, it would warn that we could see further deterioration in price.
- The futures traded to a new low yesterday with the divergence failing, but the RSI has failed to breach the 30 level. We remain below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned ot the sell side.
- A close on the 4-hour candle above USD 18,541 with the RSI at or above 40.5 would mean price and momentum are aligned to the buyside. Upside moves that failed at or below USD 20,622 would leave the futures vulnerable to further tests to the downside.
- Technical outlook: Caution on upside moves
- From an Elliott wave perspective we maintain our view that upside moves should be considered as countertrend; however, caution is warranted on pullbacks above USD 19,456, as it will warn buyside pressure is increasing. Although upside moves are considered as countertrend, the 1-hour RSI is now divergent, meaning we are also cautious on downside breakouts below USD 18,400 in the near-term. This morning, at this price, the technical is currently neutral.