FIS

Urea (Granular) FOB US Gulf Futures

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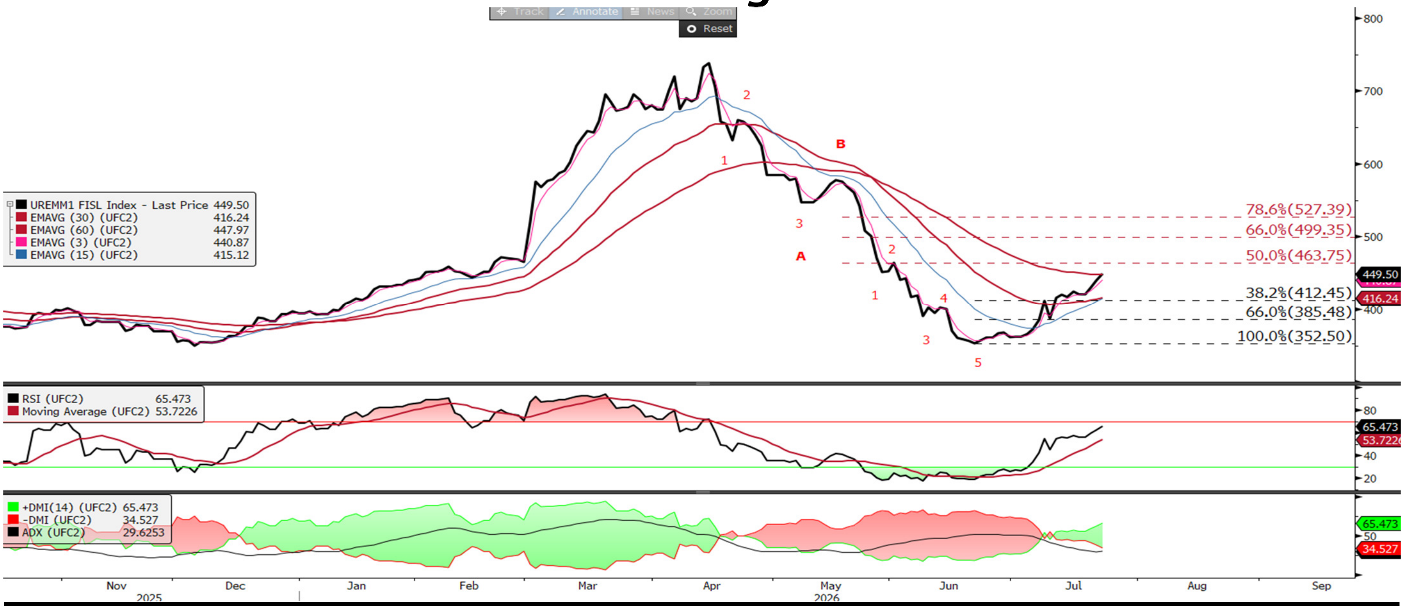
Urea Aug 26



Support		Resistance		Previous Close	Bull	Bear
S1	412	R1	463	449.5	RSI above 50	
S2	385	R2	499			
S3	352	R3	527			

Synopsis - Intraday

Source Bloomberg

- Price is between the 30 - 60 period EMA's
- RSI is above 50 (65)
- 14—period Directional Market Index (DMI) +
- Technical outlook previously: Buyside pressure increasing
- The move higher on the divergence previously had resulted in the USD 402.5 resistance being broken, signaling an increase in buyside pressure. Based on the Elliott wave count from the week before, alongside the fractal break, we had a cautious approach to lower moves. Pullbacks that rejected the USD 499 resistance would warn that the corrective phase was becoming more complex; if this happened, market longs should act with caution. Conversely, throwbacks that held at or above USD 376 would further support a buyer's argument. The DMI was showing a bullish cross, if the ADX started to turn higher, it would signal that we could be in the early stages of a trending environment, as it is already above 25.
- The futures continue to move higher. Price is between the EMA resistance band with the RSI above 50,
- Upside moves that hold at or below USD 499 will signal a more complex corrective phase. Above this level the probability of the futures trading to a new low would begin to decrease.
- Technical outlook: buyside pressure increasing
- The ADX remains above 25 and is now in the early stages of moving higher, implying buyside pressure continues to increase. RSI momentum supports the ADX, as it has moved above the 60 level; if we breach the 70 level, it will further support a buyers argument. Due to the corrective phase looking to have completed previously, alongside the positive RSI divergence, we remain cautious on lower moves at this point. However, upside moves that reject the USD 499 resistance will warn that the corrective phase has the potential to become more complex, at this point market buyers should act with caution.