# FIS Urea (Granular) FOB US Gulf Futures

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## *Urea Oct 26*




| Support | | Resistance | | Previous Close | Bull | Bear |
|---|---|---|---|---|---|---|
| S1 | 385 | R1 | 449.5 | 441.5 | RSI above 50 | |
| S2 | 352 | R2 | 464 | | | |
| S3 | 350 | R3 | 500 | | | |

### Synopsis - Intraday

Source Bloomberg

- Price is above the 30 - 60 period EMA's
- RSI is below 50 (48)
- 14—period Directional Market Index (DMI) -
- Technical outlook previously: Neutral
- We noted last week that the breach in the USD 385 support meant that the technical had a neutral bias due to the depth of the pullback. However, we maintained our reservations on downside moves due to the move higher on the positive divergence, on what looks to be a completed Elliott correction. Although support had been breached, the RSI was holding above the 40 level at that point, signaling momentum support; if we reclaim 50, then market buyers will look to test the 60-period EMA at USD 426.
- The RSI held 40 and reclaimed 50 resulting in price trading back above the 60-period EMA. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- Upside moves that hold at or below USD 500 would 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 RSI has held 40 and moved above the 60 level, while price has reclaimed the 60-period EMA at USD 426, signaling buyside pressure is increasing. If the RSI moves above the 70 level it will further support a buyer's argument, as will a move above the USD 449.5 fractal resistance. Market buyer's should act with caution on a close and hold back below the 60-period EMA, as it would suggest support remains vulnerable.

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