

FIS**Urea (Granular) FOB US Gulf Futures**

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Support		Resistance		Current price	Bull	Bear
S1	433	R1	459	436.5		RSI below 50
S2	420	R2	480			
S3	415	R3	500			

- Synopsis- Intraday**

- Price is below the 30-60 period EMA's
- RSI 46 50 (46)
- 14-period Directional Market Index (DMI) -
- Technical Outlook Previously: Buyside pressure increasing
- We noted previously that the resistance break alongside the RSI support signaled an increase in buyside pressure, warning the USD 459 level could be tested. This was a key level on the technical; if broken, then the probability of the futures trading at a new low would start to decrease, further supporting a buyer's argument. However, a resistance break would also need to see the RSI reclaim and hold above the 60 level, as the momentum support would increase the probability of further upside moves. Market buyers should act with caution if the futures reject the USD 459 level, as it would warn that we could be looking at a more complex corrective phase. The futures have seen a small move lower, we are below the EMA resistance band with the RSI below 50.
- Downside moves that hold at or above USD 415 would support a bull argument, below this level would warn that the USD 383.5 fractal low could be tested. Conversely, upside moves that fail at or below USD 459 would leave support levels vulnerable, if broken, it would signal an increase in buyside pressure.
- Technical outlook: Neutral
- The futures are below the 30-60 period EMA's; however, the averages are flat, signaling a lack of directional bias. The RSI has held 40 but rejected 60, while the futures have held above 415 but remain below the 459 resistance, meaning near-term price and momentum are showing signs of neutrality. On the sell side, the EMA band is flat, but price is below it, the DMI is showing a bear cross, while the RSI is below its average. This warns that price has the potential to weaken. On the buyside, we have secondary trend support at USD 433 and primary support at USD 420. If market sellers want to test the USD 415 support, we need to first see a close and hold below 433, and then USD 420. this market is currently neutral.

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