

Panamax March 20 Morning Technical Comment – 240 Min



Resistance – 7,877, 7,966, 8,191, 8,366

Source Bloomberg

Support – 7,566, 7,375, 7,166, 7,012

Current Price – 7,600

Bull Argument

- RSI above 50

Bear Argument

- Stochastic is overbought

Synopsis - Intraday

- Price action is above the 8 – 21 period EMA's
- RSI is above 50
- Stochastic is overbought
- Price is above the pivot point at USD 7,56
- Price action continues to hold above the 8 – 21 period EMA's with the RSI above 50 and the daily pivot point keeping it in bullish territory. Near-term technical resistance is between USD 7,887 and USD 8,191; price action that fails around the Fibonacci resistance would suggest we could be reaching an exhaustion point based on wave analysis and be readying for a corrective wave down. Likewise, downside moves below USD 7,012 would be considered as deep, again supporting potential market exhaustion.
- Wave analysis on the very short time frames is indicating we could potentially be in the early stages of a corrective phase, if this is not the case the wave analysis would suggest upside resistance levels should hold indicating upside moves could be limited

Technical Analysis Glossary

Pivot Point

A point where the market makes a new high or low, before reversing in direction.

Trend Line

A directional line connecting pivot points.

Primary Trend

The main trend line over an extended period of time.

Secondary Trend

Distinct from but within the primary trend. Indicates recent trend.

Support

A previous market low where market participants have been prepared to enter long positions.

Resistance

A previous market high where market participants have been prepared enter short positions.

Range

An area between the support and resistance.

Relative Strength Index (RSI)

A technical momentum indicator that compares the magnitude of recent gains to recent losses in an attempt to determine overbought and oversold conditions in an asset. The RSI ranges from 0 to 100. Typically speaking, an asset is deemed to be overbought once the RSI approaches the 70 level, and likewise, as the RSI approaches 30, it is deemed to be oversold.

Fibonacci Retracement

Refers to areas of support or resistance. A Fibonacci retracement shows the potential retracement of a financial asset relative to the original move in price. A trend line is drawn between two points and then the vertical distance is divided by key Fibonacci ratios; 23.60%, 38.25%, 50.00%, 61.80% and 100.00%. This tool can also be used as a projection method.

Moving Average Convergence Divergence (MACD)

A trend-following momentum indicator that shows the relationship between two moving averages of prices. The MACD is calculated by subtracting the 26-day exponential moving average (EMA) from the 12-day EMA. A nine-day EMA of the MACD, called the "signal line", is then plotted on top of the MACD, functioning as a trigger for buy and sell signals on the crossover of the two lines. The histogram highlights the narrowing and widening of the two averages acting as an indicator for slowing or increasing momentum in the market. I.E a flattening or decreasing histogram in an upward market would suggest that the upward move could soon stall.

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