

Pmx v SMX Q4 20 - One to watch



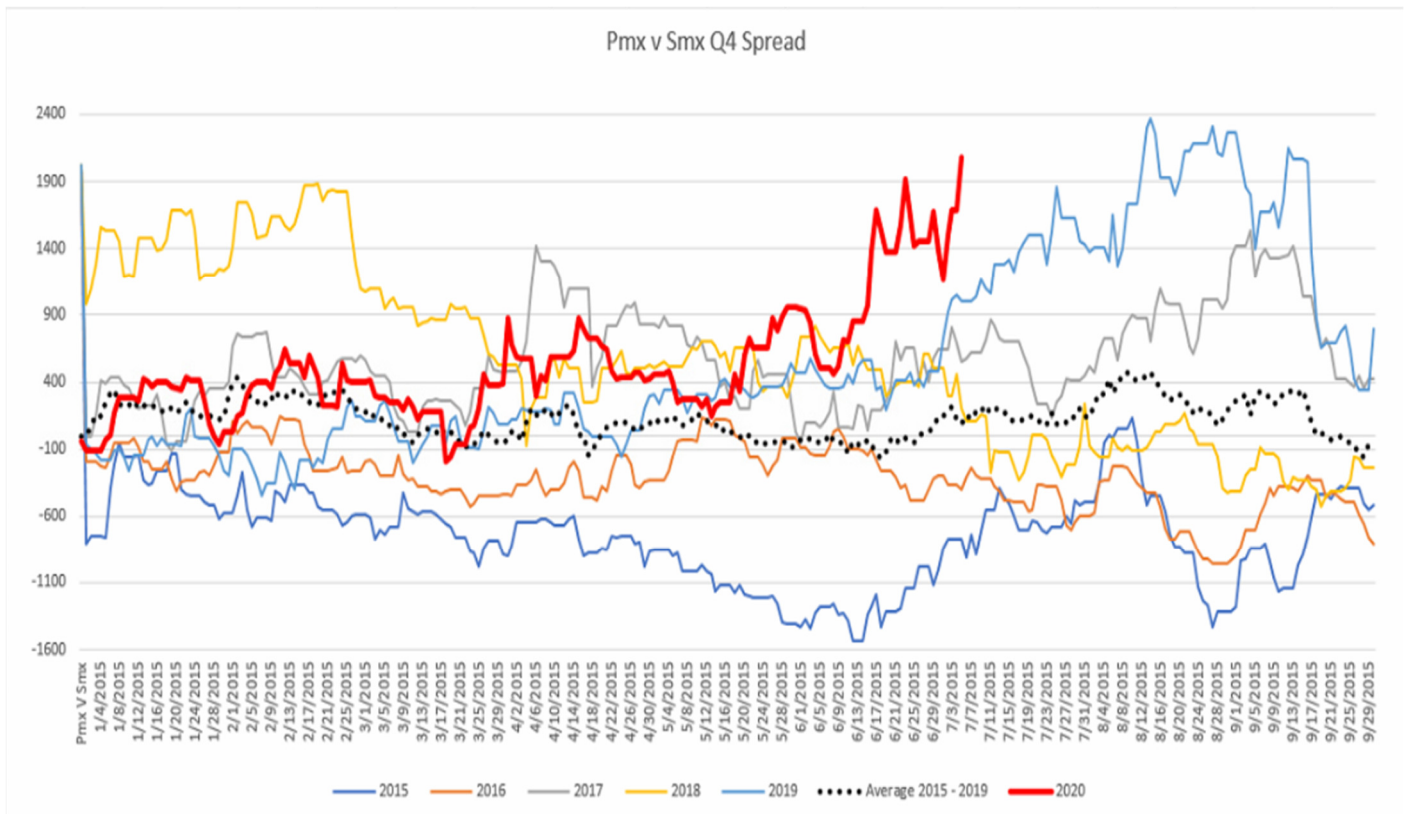
	Support		Resistance		Current Price	Bull	Bear
S1	1,170	R1	2,070		2,075	RSI above 50	Potential divergence
S2	958	R2	2,627				
S3	456	R3	3,183				

Chart Source Bloomberg

Synopsis - Intraday

- The spread is above the 8—21 period EMA's
- The RSI is above the 50 line meaning it is in bullish territory
- Price is currently at USD 2,075 meaning it is at Fibonacci resistance whilst it looks like the RSI is going to show a negative divergence on the close, warning of a momentum slowdown
- The long-term futures trend is bullish but the spread is now USD 1,953 above the 5 year average mean value and USD 1,489 over the 3 year mean value.
- With the technical potentially about to produce a negative divergence and the historical being so far from the mean the spread looks like it has the potential to enter a corrective phase soon.
- This is a countertrend move and comes with a higher degree of risk. The technical and historical would suggest the spread is starting to look overextended
- Two ways to look at this technical, look for some form of mean reversion to the 2019 value (USD 1,000), or look for buying opportunities at lower levels after a technical pullback. The spread will need to see a negative close on the Q4 Panamax or lower lows forming on the intraday making this one to watch

Pmx Q4



- The current spread value is USD 2,075
- The 5 year average for this periods is USD 1,17 meaning it is USD 1,953 above the 5 year mean
- The lowest close for the spread over the last 5 years is USD –1,529
- The lowest close for the spread on the 29th Sep over the last 5 years is USD –800
- The highest close on the 29th Sep over the last 5 years is USD 792
- The highest 5 year average value over the last 5 years is USD 418
- The futures are USD 1,953 above the current 5 year mean