



# SMX Intraday Morning Technical

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

## Supramax June 22 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	32,544	R1	33,875	32,875	RSI above 50	Stochastic overbought
S2	32,333	R2	34,483			
S3	31,939	R3	35,500			

Source Bloomberg

### Synopsis - Intraday

- Price is above the 8—21 period EMA's
- RSI is above 50 (54)
- Stochastic is overbought
- Price is above the daily pivot level USD 32,333
- We just want to highlight something on the longer-term technical relating to the Elliott wave. In very simple terms a bullish wave count consists of five waves, three up and two down. One of the golden rules is that the middle wave (wave three) can never be the shortest wave. If we look at the chart, we have highlighted the first two waves in green. The wave three is shorter than the wave one, meaning the wave five must therefore be shorter than the wave three. This means the maximum upside within this cycle is USD 39,500.
- Based on the assumption that this year's move is related to the previous year, The futures cannot trade above the Oct-21 high of USD 42,250 if this is a simple five wave pattern, warning the current move is potentially part of a longer-term corrective phase, that is likely to consist of only two waves.
- Near-term price action is currently bullish but based on Elliott wave analysis the probability of the futures trading above the 2022 high of USD 38,000 is currently low. If we do trade above USD 38,000, the probability of there being some form of wave 3 extension will increase, at this point the technical becomes bullish.
- There is always the possibility that we are looking at something that could turn into a wave three extension; however, based on the information in front of us, there are warning signs that this upside move is potentially countertrend, making USD 38,000 a key level in this technical.

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