



SMX Intraday Morning Technical

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Supramax Nov 23 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	12,915	R1	13,225	Stochastic oversold	RSI below 50
S2	12,569	R2			
S3	12,099	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (39)
- Stochastic is oversold
- Price is below the daily pivot USD 13,733
- Technically unchanged yesterday, we maintained our view that upside moves looked to be countertrend with the MA on the RSI suggesting that momentum was supported. However, if the RSI did move below its average and price and momentum become aligned to the sell side, then support levels could come under pressure. Price and the RSI move lower, resisting in the futures trading to a new low this morning. We are below the 8-21 period EMA's with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 13,733 with the RSI at or above 49.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 13,900 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the downside move in the futures mean we are in divergence with the RSI. Not a buy signal it is a warning that we have the potential to see a momentum slowdown and will need to be monitored. If you have not read the PMX report regarding the wave cycle, I will copy and paste here as well as it is the same technical pattern. The issue with the technical is the move higher between the 03 – 09 of October, if this was our countertrend Elliott wave B, then the pullback was very shallow. This could mean that we could be about to see another move lower, targeting the USD 12,569 and potentially the USD 11,500 levels. Conversely, it could be a sign of market strength, as the minimum requirement for the correction has been achieved. The fact that we had a 5-wave pattern lower, to me would suggest that the corrective wave C will have further downside. This is based on flat correction tending to be (3,3,5) patterns, with expanding zig zags being (5,3,5). We already have 5 waves on the wave A lower, meaning the technical suggests that there could still be further downside within the correction. However, monitor the divergence.

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