



SMX Intraday Morning Technical

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Supramax August 24 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	14,661	R1	14,923		
S2	14,453	R2	15,104		RSI below 50
S3	14,100	R3	15,133		

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (39)
- Stochastic is at 50
- Price is above the daily pivot USD 15,133
- Technically bullish with a neutral bias last week, the MA on the RSI implied that momentum remained weak. The rejection of the USD 15,279 resistance warned that the USD 14,850 fractal low would be tested and broken, if it was, then the intraday technical would be bearish. However, a new low will create a positive divergence with the RSI. Not a sell signal, it is a warning that we could see a momentum slowdown, suggesting caution on downside breakouts. The futures were not considered a technical sell at these levels.
- Having held the USD 14,850 support, the futures traded above the USD 15,279 resistance yesterday; however, the move has failed to hold, resulting in price trading below the USD 14,850 support on the open this morning. We are below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 15,133 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 15,104 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI is flat meaning momentum is neutral. Technically we are in divergence with the RSI, warning that we have the potential to see a momentum slowdown; however, the RSI is testing support, if we close below it, then it will warn that there could be further downside in this technical. Previously we noted that the futures looked to have completed a 5-wave pattern lower (cycle ended 29/05), if we do trade below the USD 14,661 level, it will warn that there could be a larger, bearish Elliott wave cycle in play. However, this cycle is not yet evident on our lower timeframe oscillators. We are cautious on moves lower unless the divergence fails.

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