

FIS SMX Intraday Morning Technical

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Supramax May 25 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	11,083	R1	11,475	11,025	RSI above 50	
S2	10,693	R2	11,672			
S3	10,475	R3	11,975			

Synopsis - Intraday

Source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is above 50 (53)
- Stochastic is above 50
- Price is below the daily pivot USD 11,083
- The Elliott wave cycle was bearish with a neutral bias yesterday, near-term price action was bullish due to the move above the USD 11,200 fractal resistance. The MA on the RSI continued to suggest that momentum was supported; countering this, the RSI was in divergence, warning buyside momentum could slow. A close below the low of the last dominant bull candle (USD 10,875) would warn that sell side pressure was increasing; whilst a close below the held below the 55-period EMA (USD 10,791) would further weaken the technical. With the divergence in play, we had a note of caution on moves higher at those levels, as they could struggle to hold.
- The futures sold lower on the divergence, meaning price is now between the 8-21 period EMA's with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 11,083 with the RSI at or above 59 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 10,179 will support a bull argument, below this level the futures will be back in bearish territory.
- Technically bearish with the neutral bias, the probability of price trading to a new low has started to decrease. However, the futures have sold lower on a negative divergence with the RSI, making the 55-period EMA at USD 10,825 key to near-term directional bias. If we hold above it, then resistance levels will remain vulnerable; likewise, a close below that holds below it will suggest that the USD 10,600 fractal support could be tested and broken. If it is, then we target the 200-period MA at USD 10,290. With price moving lower on the divergence, we maintain a note of caution on moves higher at this point.

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