

FIS SMX Intraday Morning Technical

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Supramax May 25 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	10,475	R1	10,816	10,500		RSI below 50
S2	10,179	R2	11,475			
S3	9,945	R3	11,672			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (44)
- Stochastic is below 50
- Price is below the daily pivot USD 10,816
- Technically bearish with the neutral bias on Friday, the probability of price trading to a new low had started to decrease. However, the futures had 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 held above it, then resistance levels would remain vulnerable; likewise, a close below that held below it would suggest that the USD 10,600 fractal support could be tested and broken. If it was, then we would target the 200-period MA at USD 10,290. With price moving lower on the divergence, we maintained a note of caution on moves higher at this point.
- The futures closed below the 55-period EMA on Friday (USD 10,811), resulting in price trading below the 10,600 fractal support 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 10,816 with the RSI at or above 56 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.
- Bearish with a neutral bias, the futures continue to sell lower due to the divergence on the lower timeframe, warning the 200-period MA at USD 10,001 could be tested and broken. If it is, and we trade below USD 10,179, then the futures will be back in bearish territory. Conversely, a close back above the 55-period EMA (USD 10,611) will imply that there is an underlying support in the market. The MA on the RSI implies momentum is weak, whilst we are below the 55-period EMA having broken fractal support, meaning we remain cautious on moves higher at this point.

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