

FIS SMX Intraday Morning Technical

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Supramax Oct 25 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	15,622	R1	16,200	15,800		Stochastic overbought
S2	14,534	R2	16,981			
S3	14,048	R3	17,441			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is at 50 (50)
- Stochastic is overbought
- Price is below the daily pivot USD 16,200
- We noted that the futures had held above the USD 14,534 level previously with price breaching the USD 16,436 level yesterday, meaning the USD 17,125 fractal high was vulnerable in the near-term. Upside moves above USD 17,125 would create further negative divergences with the RSI, implying caution above this level. Likewise, a close back below the 55-period EMA would imply sell side pressure was increasing. Buyside pressure had increased, key resistance had been broken, warning resistance is vulnerable; however, due to the divergence at higher levels, we maintained a note of caution on upside moves, as they could struggle to hold.
- Having traded to a high of USD 16,525 on the open the futures since sold lower. We are below the 8-21 period EMA's with the RSI neutral at 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 16,200 with the RSI at or below 46.5 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buyside. Downside moves that hold at or above USD 14,534 will support a bull argument, below this level the technical will have a neutral bias (for this phase of the lower timeframe cycle). Key longer-term support on the higher timeframe cycle is at USD 12,158.
- Technically bullish, the MA on the RSI implies we have light momentum support, whilst the upside move yesterday breached the USD 16,436, indicating buyside pressure had increased. However, due to the negative divergence in play, and the threat of further divergences on an upside breakout, we continue to be cautious on upside moves in the near-term. The longer-term wave cycle does indicate that downside moves should be considered as countertrend, but at this point, the technical suggests that there should be further downside within the corrective phase. A close below the 55-period EMA (USD 15,622) will imply sell side pressure is increasing, leaving the Fibonacci support zone vulnerable.

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