SMX Intraday Morning Technical

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Supramax Dec 25 Morning Technical Comment – 240 Min

Support		Resistance		Current Price	Bull	Bear
S1	15,400	R1	15,825	15,725	Stochastic oversold	
S2	14,987	R2	16,269			
S3	14,479	R3	16,526			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is at 50 (50)
- Stochastic is oversold
- Price is below the daily pivot USD 15,825
- We are going to stick to the Dec outright contract, as the rolling front into Jan means we have seen a significant drop in price, making a single candlestick a bit pointless to chart.
- Technically bullish but with a neutral bias yesterday, the probability of the futures trading to a new high had started to decrease. The MA on the RSI implied that momentum was starting to show signs of light weakness, whilst price was on an Elliott wave 5 but correcting, suggesting the USD 15,550 fractal support could tested and broken. If it was, then the technical would be bearish. With price moving lower on the divergence whilst on an Elliott wave 5, coupled with a deep pullback, we were cautious on upside moves, as support levels were vulnerable.
- The futures are consolidating around yesterday's level with price below the 8-21 period EMA's, the RSI is neutral at 50 with price and momentum aligned to the sell side.
- A close on the 4-hour candle above USD 15,825 with the RSI at or above 59.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 16,269 will leave the futures vulnerable to further tests to the downside, above this level the technical will be back in bullish territory.
- Technically bullish with a neutral bias, the MA on the RSI continues to suggest that momentum is weakening, warning the USD 15,400 fractal low could be tested and broken. If it is, then the technical will be in bearish territory. With price breaking key support, having moved lower following a 5-wave pattern higher, we are now cautious on upside moves. However, if we do trade above USD 16,269, then price will be back in bullish territory.