

FIS SMX Intraday Morning Technical

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Supramax Jan 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	12,300	R1	12,891	12,450	Stochastic oversold	RSI below 50
S2	11,962	R2	13,204			
S3	11,675	R3	13,437			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (32)
- Stochastic is oversold
- Price is below the daily pivot USD 12,891
- Unchanged on the technical yesterday, we remained bearish with the MA on the RSI indicating that we had light momentum weakness. The 1-hour RSI remained in divergence with the RSI, warning sell side momentum could slow, meaning we were cautious on downside moves at those levels. However, our Elliott wave analysis continued to suggest that upside moves should be considered as countertrend, making USD 13,906 the key resistance to follow. Above this level the probability of the futures trading to a new low would start to decrease.
- The futures continued to sell lower, resulting in the 1-hour divergence failing. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 12,891 with the RSI at or above 43 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 13,753 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 implies that momentum is weak. The divergence failure warns that Fibonacci support levels are vulnerable. However, USD 12,300 is the 100% Fibonacci projection of the initial move lower. This level has the potential to attract bid support (A-B = C-D pattern), suggesting market sellers should be cautious around this area. Our Elliott wave analysis continues to suggest that upside moves should be considered as countertrend, making USD 13,753 the key resistance to follow. Above this level the probability of price trading to a new low will start to decrease.

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