



SMX Intraday Morning Technical

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Supramax May 26 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	16,800	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (71)
- Stochastic is overbought
- Price is below the daily pivot USD 16,850
- Technical outlook Previously: In divergence
- We noted previously that a minor pullback yesterday followed by a move to a new high had created a negative divergence with the RSI. Not a sell signal it warned that we could see a momentum slowdown, leaving the futures vulnerable to an intraday throwback. However, the momentum confirmation previously was supported by our lower timeframe Elliott wave analysis, suggesting downside moves should be considered as countertrend, making USD 14,533 the key support to follow. Throwbacks that breach the USD 14,533 would be considered as deep into the last bull wave, reducing the probability of new highs being achieved.
- Having traded to a high of USD 17,125 the futures have seen a minor pullback. We remain above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 16,850 with the RSI at or above 78.5 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 14,533 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: In divergence
- The futures remain in divergence with the RSI, meaning we remain cautious on upside moves in the near-term. However, lower timeframe Elliott wave analysis indicates that intraday downside moves should be considered as countertrend, providing we hold above the USD 14,533 support. Below USD 14,533 the probability of price trading to a new high will be reduced. The divergence leave price vulnerable to an intraday throwback in the near-term.

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