

FIS SMX Intraday Morning Technical

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Supramax May 26 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	16,725	R1	17,100	RSI above 50	Stochastic overbought
S2	15,687	R2			
S3	15,212	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (73)
- Stochastic is overbought
- Price is above the daily pivot USD 16,725
- Technical outlook Previously: In divergence
- The futures remained in divergence with the RSI yesterday, meaning we remained cautious on upside moves in the near-term. However, lower timeframe Elliott wave analysis indicated that intraday downside moves should be considered as countertrend, providing we held above the USD 14,533 support. Below USD 14,533 the probability of price trading to a new high will be reduced. The divergence left price vulnerable to an intraday throwback in the near-term.
- The futures traded to an intraday low of USD 16,425, resulting in a positive reversal pattern forming; we noted in the close report that the reversal pattern left the USD 17,125 resistance vulnerable in the near-term. Price has now traded to a new high, we are above all key moving averages supported by the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 16,725 with the RSI at or above 78 will mean price and momentum are aligned to the buyside; likewise, a close below this level will mean it is aligned to the sell side. Downside moves that hold at or above USD 14,568 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: In divergence
- Having traded to a new high on the positive reversal pattern, the futures are back in divergence with the RSI. Not a sell signal, it is a warning that buyside momentum could slow down, this will need to be monitored. As noted previously, we maintain our view that downside moves should be considered as countertrend, providing we hold above the USD 14,568 support. If breached, then the probability of the futures trading to a new high will begin to decrease. Due to the divergence, we now have a note of caution on higher moves at these levels.

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