



SMX Intraday Morning Technical

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Supramax June 26 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	17,952	R1	18,975		RSI below 50
S2	17,599	R2	19,375		
S3	17,000	R3	19,800		

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (48)
- Stochastic is above 50
- Price is below the daily pivot 18,975
- Technical outlook Previously: Downside moves considered as countertrend.
- We noted previously that the negative divergence had failed, meaning we had bullish momentum confirmation, warning resistance levels remained vulnerable. Lower timeframe Elliott wave analysis also warned that downside moves had the potential to be countertrend, providing we held above the USD 17,952 support. Below USD 17,952 the probability of the futures trading to a new high would begin to decrease. Market sellers should be cautious on lower moves if the RSI moved below 53, while price was above USD 18,125, as it would signal a positive reversal pattern is coming into play.
- The futures have sold to a low of USD 18,525 with the RSI making new lows, meaning the positive reversal pattern is in play. Price is below the 8-231 period EMA's with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 18,975 with the RSI at or above 66 would mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 17,952 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Caution on downside moves
- In theory, our lower timeframe Elliott wave analysis suggests that downside moves should be considered as countertrend. We also noted that we have a positive reversal pattern in play, implying caution on lower moves. However, if we trade below USD 18,125, the positive reversal pattern will have failed, while the fractal break would also suggest that the Elliott wave cycle would be corrective rather than bullish. We remain cautious on lower moves but note that the negative velocity and negative acceleration with the RSI are warning that the USD 18,125 support is becoming vulnerable.

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