FIS

SMX Intraday Morning Technical

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

Supramax Aug 26 Morning Technical Comment – 240 Min

Support		Resistance		Current Price	Bull	Bear
S1	18,774	R1	19,288	19,125	RSI above 50	Stochastic overbought
S2	18,550	R2	19,349			
S3	18,393	R3	19,682			

Source Bloomberg

Synopsis - Intraday

- Price is between the 8-21 period EMA's
- RSI is above 50 (51)
- Stochastic is overbought
- Price is below the daily pivot 19,358
- Technical outlook Previously: Inflection point
- We noted on Friday that the futures continued to trade around the trend support line, meaning we remained at an inflection point. The move above USD 19,349 meant that the probability of price trading to a new low had started to decrease. The breach in key resistance meant that we had a neutral bias, as the pullback has been higher than expected.
- Price is selling lower meaning we are below the trend support line at 19,288. We are between the 8-21 period EMA's with the RSI near-neutral at 51, intraday price and momentum are conflicting, as the previous candle closed above the daily pivot level.
- A close on the 4-hour candle below USD 19,358 with the RSI at or below 54.5 would mean price and momentum are aligned to the sell side; likewise, a close above this level with the RSI at or above 59 would mean it is aligned to the buyside. Downside moves that hold at or above USD 18,246 will support a bull argument, below this level the technical will re-enter bearish territory.
- Technical outlook: Sell side pressure increasing
- Technically the breach in the USD 19,349 level means that the probability of price trading to a new low has started to decrease; this pullback has been deeper than expected, taking the technical into neutral territory. However, the RSI has failed to hold above the 60 level, with price in the process of breaking trend support at USD 19,288. A close and hold below the support line will signal that sell side pressure is on the increase, if we do, it will leave the Fibonacci support zone vulnerable.