SMX Intraday Morning Technical

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Supramax Sep 26 Morning Technical Comment – 240 Min

Support		Resistance		Current Price	Bull	Bear
S1	19,500	R1	20,041	19,750		RSI Below 50
S2	19,337	R2	20,498			
S3	18,925	R3	20,812			

Source Bloomberg

Synopsis - Intraday

- Price is below the 8-21 period EMA's
- RSI is below 50 (45)
- Stochastic is above 50
- Price is below the daily pivot 20,041
- Technical outlook Previously: Momentum support
- We noted before my vacation that the downside move had resulted in the RSI holding the 40 level, implying there is still underlying support in the market. Due to the futures breaching the USD 19,349 resistance we needed to see the RSI move below the 40 level with price trading below the USD 18,246; if we did, then the futures would re-enter bearish territory. We noted that with the momentum support and the breach in the USD 19,349 resistance we needed to see further downside in this technical for support to become vulnerable.
- The futures sold to a low of USD 18,050 before gapping higher on th roll into the September contract. Having traded to a high of USD 20,625 price has now entered a corrective phase. We are below the 8-21 period EMA's supported bu the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 20,041 with the RSI at or above 57.5 would mean price and momentum are 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: Neutral
- The futures are currently in a sitting in a rising channel with the futures in a corrective phase. We have a positive reversal pattern in play with the RSI; however, if we trade below USD 19,500 then the pattern will have failed, signaling momentum weakness. Countering a bearish breakout, USD 19,500 is a 100% Fibonacci projection level, while we have the 50% retracement (support) at USD 19,337. Conflicting signals on a move below USD 19,500 means we currently have a neutral bias.