FIS Panamax Intraday Morning Technical

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Panamax Oct 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	22,802	R1	23,425	22,050		RSI above 50
S2	22,389	R2	23,506			
S3	21,675	R3	23,856			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (52)
- Stochastic is above 50
- Price is below the daily pivot USD 23,425
- Technical outlook previously: Buyside support
- The upside move on the open yesterday above the USD 23,506 resistance warned that buyside pressure was starting to increase. However, having seen the RSI hold above 40 previously, we now need to see it reclaim an hold above 60. If we did, it would confirm the resistance break, warning the USD 23,856 and USD 24,450 levels could be tested and broken. Caution was warranted if the RSI rejected the 60 level, as it would imply momentum weakness, leaving the USD 22,389 support vulnerable.
- Having broken resistance the RSI rejected the 60 level yesterday, resulting in price selling lower. We are between the 8-21 period EMA's with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 23,425 with the RSI at or below 50 would mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above 55 would mean it is aligned to the buyside. Downside moves that hold at or above USD 22,389 will support a near-term bull argument, if broken, it would signal an increase in sell side pressure.
- Technical outlook: RSI rejection
- Technically we still remain supported, as price is above the 21-period EMA and the 55-period EMA's with the RSI still above 50. However, the RSI rejection warns of momentum is showing signs is weakness, this needs to be monitored closely. If we close and hold below the 55-period EMA at USD 22,802 it will leave the USD 22,389 support vulnerable. We identify USD 22,389 as a key near-term level, if broken, it will negate the breach in the USD 23,506 resistance, implying sell side pressure is increasing. The upside RSI rejection is a sign of momentum weakness, suggesting market buyers should act with caution, unless we reclaim the USD 23,506 resistance and the RSI 60 level.

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