FIS Panamax Intraday Morning Technical

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Panamax Oct 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	22,183	R1	23,146	22,275	Stochastic oversold	RSI below 50
S2	21,675	R2	23,775			
S3	21,179	R3	24,447			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (43)
- Stochastic is oversold
- Price is above the daily pivot USD 22,183
- Technical outlook previously: Potential complex corrective phase
- The move below USD 22,802 yesterday did warn that sell side pressure could be increasing, as did the RSI rejection below the 60 level, suggesting support levels were becoming vulnerable. Downside moves below USD 21,675 would signal a complex correction (marked W, X, with Y being the potential new low) was in play. If this was the case, then Fibonacci projection levels suggested that we could trade as low as USD 19,575. Market sellers should act with caution if the RSI held the 40 level, supported by a close and hold above the trend resistance line at USD 22,533, as it would signal buyside support was entering the market.
- The futures have closed above the trend support line with the RSI holding above 40, price is below the 8-21 period EMA's with intraday price and momentum conflicting.
- A close on the 4-hour candle above USD 22,183 with the RSI at or above 48.5 would mean price and momentum are aligned to the buyside; likewise, a close below this level would mean it is aligned to the sell side. Upside moves that fail at or below USD 23,146 would leave support levels vulnerable, above this level the USD 23,775 fractal high would become vulnerable.
- Technical outlook: neutral
- As highlighted yesterday, the upside rejection is warning that we could be looking at a complex corrective phase, warning that the USD 21,675 support could be tested. Lower timeframe Elliott wave analysis is showing a 5-wave pattern lower, while price is above the trend resistance line at USD 22,045, the RSI is holding the 40 level; this would suggest caution is warranted on lower moves. However, the RSI remains below its moving average. If we move higher but reject the USD 23,146 resistance, then the USD 21,675 fractal low will still be considered as vulnerable. The conflicting technical means we lack clarity on near-term direction bias at this point, meaning we are taking a neutral view.

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