FIS SMX Intraday Morning Technical

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

Supramax Oct 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	22,241	R1	22,666	22,325	RSI above 50	
S2	21,820	R2	23,125			
S3	21,400	R3	23,391			

Source Bloomberg

Synopsis - Intraday

- Price is above the 8-21 period EMA's
- RSI is above 50 (62)
- Stochastic is below 50
- Price is above the daily pivot 22,241
- Technical outlook Previously: downside moves considered as countertrend
- We noted yesterday that upside moves that traded above the USD 22,500 level would signal that buyside pressure is increasing, while a move above USD 22,666 would suggest that the probability of price trading to a new low has started to decrease. Conversely, if we rejected the USD 22,666 resistance it would warn that the corrective phase had the potential to become more complex. The RSI was holding above 60, if price and momentum become aligned to the buyside, it would further support a buyers argument. As highlighted previously, our Elliott wave analysis suggested that downside moves should be considered as countertrend.
- The futures traded above the USD 22,500 level; however, we have failed to reclaim the USD 22,666 resistance. Price remains above the 8-21 period EMA with the RSI above 50, intraday price and momentum continue to conflict.
- A close on the 4-hour candle above USD 22,241 with the RSI at or above 66.5 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. Downside moves that hold at or above USD 20,765 would support a bull argument, below this level the technical would have a neutral bias.
- Technical outlook: downside moves considered as countertrend
- Unchanged on the technical this morning, the futures have broken bear-term fractal resistance but remain below key resistance. Above USD 22,666 would imply that the probability of the futures trading at a new low has started to decrease, warning resistance levels could be tested. Conversely, if rejected, the corrective phase has the potential to become more complex. Market buyers should act with caution if the RSI starts to close and hold below 60, as it will signal momentum is weakening. As highlighted previously, our Elliott wave analysis suggested that down-side moves should be considered as countertrend.

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