FIS SMX Intraday Morning Technical

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Supramax Oct 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	20,765	R1	21,391	21,125	Stochastic oversold	RSI below 50
S2	20,315	R2	21,889			
S3	19,550	R3	22,445			

Source Bloomberg

Synopsis - Intraday

- Price is below the 8-21 period EMA's
- RSI is below 50 (36)
- Stochastic is oversold
- Price is below the daily pivot 21,391
- Technical outlook Previously: downside moves considered as countertrend
- The futures were trading below USD 21,450 on Friday, a close and hold below this level would warn that the USD 20,765 support could be tested; if breached, then the probability of price trading at a new high would start to decrease. The RSI was testing 40, if we held, it would signal momentum support, warning buyside pressure could increase. Conversely, a sustained move below 40 is likely to result in further deterioration in price.
- The RSI has failed to hold above the 40 level resulting in price selling lower, we are below the 8-21 period EMA's with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 21,391 with the RSI at or above 54 would mean price and momentum are aligned to the buyside. 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: Sell side pressure increasing
- The futures remain in a corrective phase with our Elliott wave analysis continuing to suggest that downside moves should be considered as countertrend, providing the USD 20,765 support is not breached; if it is, then the probability of the futures trading at a new high will begin to decrease. However, the RSI has moved below the 40 level warning momentum is weakening, while price is below the 55-period EMA at USD 21,250. If we close and hold below the average it will warn that sell side pressure is increasing. Conversely, market sellers should act with caution if we fail to close below the average, coupled with the RSI reclaiming the 40 level, as it would warn of underlying support in the market.

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