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	21,083	20,825	Stochastic oversold	RSI below 50
S2	20,315	R2	21,657			
S3	19,550	R3	22,317			

Source Bloomberg

Synopsis - Intraday

- Price is below the 8-21 period EMA's
- RSI is below 50 (31)
- Stochastic is oversold
- Price is below the daily pivot 21,083
- Technical outlook Previously: downside moves considered as countertrend
- The futures remained in a corrective phase yesterday with our Elliott wave analysis continuing to suggest that downside moves should be considered as countertrend, providing the USD 20,765 support was not breached; if it was, then the probability of the futures trading at a new high will begin to decrease. We noted that the RSI had moved below the 40 level warning momentum was weakening, while price was below the 55-period EMA at USD 21,250. If we closed and held below the average it would warn that sell side pressure was increasing. Conversely, market sellers should act with caution if we failed to close below the average, coupled with the RSI reclaiming the 40 level, as it would warn of underlying support in the market.
- The futures have closed below the 55-period EMA and breached the USD 20,765 support. Price is below the 8-21 period EMA's supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 21,083 with the RSI at or above 47 would mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 22,317 will leave the futures vulnerable to further tests to the downside, above this level the futures will re-enter bullish territory
- Technical outlook: Sell side pressure increasing
- The breach in the USD 20,765 support warns that the probability of the futures trading at a new high has started to decrease, implying caution on upside moves in the near-term, unless price trades back above the USD 22,317 resistance. Countering, the bearish price action, the RSI is now at 31, if it enters the 27—14 support zone highlighted on the chart in red, it will signal price is becoming overextended to the downside. Market sellers should act with caution on a close and hold back above the 55-period EMA at USD 21,195, as the breach in support followed by a move above the average would be an early warning of underlying market support.

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