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	21,657	21,100	Stochastic oversold	RSI below 50
S2	20,315	R2	22,317			
S3	19,550	R3	23,125			

Source Bloomberg

Synopsis - Intraday

- Price is below the 8-21 period EMA's
- RSI is below 50 (42)
- Stochastic is oversold
- Price is below the daily pivot 21,150
- Technical outlook Previously: Sell side pressure increasing
- The breach in the USD 20,765 support yesterday warned that the probability of the futures trading at a new high had started to decrease, implying caution on upside moves in the near-term, unless price traded back above the USD 22,317 resistance. Countering the bearish price action, the RSI was at 31, if it entered the 27—14 support zone highlighted on the chart in red, it would signal price was 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.
- The futures closed above but are struggling to hold above the 55-period EMA at USD 231,204 at this point. We are below the 8-21 period EMA's with the RSI below 50, intraday price and momentum are aligned to the buyside, as the previous candle closed above the daily pivot level.
- A close on the 4-hour candle below USD 21,150 with the RSI at or below 37.5 would mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 22,317 would leave the futures vulnerable to further tests to the downside, above this level the futures would re-enter bullish territory
- Technical outlook: Support remains vulnerable
- If the futures fail to hold above the 55-period EMA it will warn that the USD 20,700 fractal support could be tested, meaning support would remain vulnerable at that point. However, as highlighted yesterday, if the RSI enters the 27-24 support zone (corrected from 14), then momentum would start to become overextended to the downside, if this happens, it would imply caution on lower moves. Near-term support is vulnerable; however, there are reasons to be cautious on downside breakouts. Point of note: if price closes back and holds above the average (candle still open) and the RSI holds 40, market sellers should act with caution, as this will signal market support.

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