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	21,258	R1	21,657	21,650	RSI above 50	
S2	20,765	R2	22,317			
S3	20,315	R3	23,125			

Source Bloomberg

Synopsis - Intraday

- Price is above the 8-21 period EMA's
- RSI is above 50 (54)
- Stochastic is below 50
- Price is above the daily pivot 21,258
- Technical outlook Previously: Support remains vulnerable
- We noted yesterday that if the futures failed to hold above the 55-period EMA it would warn that the USD 20,700 fractal support could be tested, meaning support would remain vulnerable at that point. However, as highlighted previously, if the RSI enters the 27-24 support zone (corrected from 14), then momentum would start to become overextended to the downside, if this happened, it would imply caution on lower moves. Near-term support was vulnerable; however, there are reasons to be cautious on downside breakouts. Point of note: if price closed back and holds above the average (candle still open) and the RSI held 40, market sellers should act with caution, as this would signal market support.
- The futures initially closed back below the average; however, we failed to hold below it while the RSI held the 40 level, resulting in a move higher. We are above the 8-21 period EMA's supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 21,258 with the RSI at or below 39 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: Polarity support
- We noted in the weekly report yesterday afternoon that a previous resistance zone had the potential to act as support, meaning we became cautious on lower moves. The support zone is currently holding, meaning the technical has a change in polarity forming. If we hold above the support zone (USD 20,625—USD 20,250) it will have bullish implications, warning resistance levels could be tested. Market buyers should be cautious on a lose and hold below USD 20,250, as this would signal an increase in sell side pressure. The RSI now has positive velocity and positive acceleration, if we clan close and hold above the 60 level having already held 40, it will support a bull argument.

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