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	22,075	21,450	Stochastic oversold	RSI below 50
S2	20,315	R2	22,300			
S3	20,250	R3	22,606			

Source Bloomberg

Synopsis - Intraday

- Price is below the 8-21 period EMA's
- RSI is below 50 (47)
- Stochastic is oversold
- Price is on the daily pivot 21,466
- Technical outlook Previously: upside rejection
- The futures had failed to test the USD 22,300 resistance due to the RSI failing to hold above 60. However, although we had upside rejection, we have polarity support between USD 20,625 and USD 20,250, while the RSI was finding support above the 40 level. Price action had weakened, but we still saw signs of support; for downisde continuation, price needed to close and hold below the USD 20,250 level. At that point, the move lower still looked to be corrective rather than bearish.
- Light bid support into the close has faded on the open, putting the futures back near yesterday mornings levels. We are below the 8-21 period EMA's with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 21,466 with the RSI at or above 55 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. Upside moves that fail at or below USD 22,300 would leave the futures vulnerable to further tests to the downside, above this level the futures would re-enter bullish territory
- Technical outlook: Neutral
- The broader trend looks to be still bullish; however, our neutral stance comes from rejecting the USD 22,300 resistance while we remain above the polarity support between USD 20,625 and USD 20,250. From a technical perspective, the market needs to commit for directional bias, hence the neutrality.

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