FIS Panamax Intraday Morning Technical

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

Panamax Oct 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	20,473	R1	21,316	21,050	Stochastic oversold	RSI below 50
S2	19,575	R2	21,435			
S3	18,441	R3	21,891			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (34)
- Stochastic is oversold
- Price is below the daily pivot USD 21,316
- Technical outlook previously: Inflection point
- The futures were trading on the 200-period MA at USD 21,402 yesterday, meaning we were at an inflection point. A close and hold below the average with the RSI below 40 would suggest that the USD 21,150 fractal support could be tested and broken. Conversely, failure to close below the average with the RSI holding 40 would warrant caution on lower moves, as it would imply underlying support in the market. The RSI was below its trend support while below 40, meaning we were seeing signs of momentum weakness. Price was the lead indicator, and now needs to hold the average to avoid selling at new lows.
- The futures sold at a new low on the momentum weakness, we are below all key moving averages 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 21,316 with the RSI at or above 46.5 would mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 22,848 would leave support levels vulnerable, above this level the USD 23,775 fractal high would become vulnerable.
- Technical outlook: Positive divergence
- The futures are below the intraday 200-period MA with the RSI below 40, warning sell side pressure is increasing. However, the new low is not being replicated by the RSI, meaning we have a positive RSI divergence in play. The divergence is minor, but it warns that sell side momentum has a potential to slowdown, confirmation from bullish price action is needed. If the RSI makes a new low, then the bearish momentum confirmation would support the move below the 200-period MA.

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