FIS Panamax Intraday Morning Technical

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Panamax Oct 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	19,575	R1	20,800	20,200	Stochastic oversold	RSI below 50
S2	19,516	R2	20,980			
S3	18,441	R3	21,585			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (25)
- Stochastic is oversold
- Price is below the daily pivot USD 20,800
- Technical outlook previously: Positive divergence
- The futures were below the intraday 200-period MA with the RSI below 40 yesterday, warning sell side pressure was increasing. However, the new low was not being replicated by the RSI, meaning we had a positive RSI divergence in play. The divergence was minor, but it warned that sell side momentum had a potential to slowdown, confirmation from bullish price action is needed. If the RSI maked a new low, then the bearish momentum confirmation would support the move below the 200-period MA.
- The futures still had a minor divergence in play on the close last night; however, further bearish price action on the open means we now have bearish momentum confirmation. 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 20,800 with the RSI at or above 41 would mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 21,585 would leave support levels vulnerable, above this level the USD 23,775 fractal high would become vulnerable.
- Technical outlook: Sell side pressure increasing
- The bearish RSI momentum confirmation is supported by the RSI moving below the 30 level, signaling an increase in sell side pressure, suggesting upside moves now have the potential to be countertrend in the near-term. We identify USD 21,585 as the key resistance to follow, if rejected, then support levels should be considered as vulnerable. The daily 200-period MA is at USD 19,516, this has the potential to attract buyside support if tested. However, a close and hold below the average would warn that the technical is vulnerable to further deterioration in price.

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