FIS SMX Intraday Morning Technical

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Supramax Oct 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	19,650	R1	20,425	19,850	Stochastic oversold	RSI below 50
S2	18,995	R2	20,638			
S3	18,437	R3	20,912			

Source Bloomberg

Synopsis - Intraday

- Price is below the 8-21 period EMA's
- RSI is below 50 (24)
- Stochastic is oversold
- Price is below the daily pivot 20,425
- Technical outlook Previously: Testing polarity support
- Unchanged on the technical yesterday, as the futures were only USD 50 lower. We continued to test the polarity support with the RSI approaching historical RSI support, meaning we maintained a cautious approach to lower moves at these levels. For downside continuation the futures were going to need to produce a close and hold below the USD 20,250 level; however, this would put the RSI firmly in its support zone. Technically we are not seeing buy signals, but price is a high risk sell at this point.
- The futures have sold below the polarity support and the intraday 200-peirod MA at USD 20,160. 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 20,425 with the RSI at or above 37.5 would mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 21,284 would leave the futures vulnerable to further tests to the downside, above this level the futures would re-enter bullish territory.
- Technical outlook: Sell side pressure increasing
- The close below the polarity support and the intraday 200-period MA indicate that sell side pressure is increasing. The RSI is below its historical support band, confirming momentum weakness, implying caution on upside moves while below the USD 21,284 resistance. Market sellers should act with caution on a close and hold above the 200-period MA, supported by the RSI reclaiming 40, as it would suggest buyside pressure is starting to increase. We are approaching the 100% Fibonacci projection of the initial wave lower at USD 19,650. this does have the potential to attact buyside interest; if it doesn't, a we close and hold below USD 19,650, it would leve price vulnerable to further deterioration.

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