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	18,995	R1	19,891	19,575	Stochastic oversold	RSI below 50
S2	18,437	R2	20,375			
S3	18,151	R3	20,499			

Source Bloomberg

Synopsis - Intraday

- Price is below the 8-21 period EMA's
- RSI is below 50 (19)
- Stochastic is oversold
- Price is below the daily pivot 19,891
- Technical outlook Previously: Sell side pressure increasing
- The close below the polarity support and the intraday 200-period MA on Friday indicated that sell side pressure was 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 was starting to increase. We were approaching the 100% Fibonacci projection of the initial wave lower at USD 19,650. This did have the potential to attract buyside interest; if it didn't, and we closed and held below USD 19,650, it would leave price vulnerable to further deterioration.
- The futures have sold below the USD 19,650 support, we remain 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 19,891 with the RSI at or above 31 would mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 21,208 would leave the futures vulnerable to further tests to the downside, above this level the technical would have a neutral bias.
- Technical outlook: Sell side pressure is slowing
- Having seen an increase in sell side pressure previously, the futures are now showing small bear candles, signaling price is starting to slow down. However, the ADX at 33 does suggest that the intraday technical is in a bearish trending environment, warning upside moves have the potential to be countertrend, making USD 21,208 the key resistance to follow. Pullbacks that fail at or below USD 21,208 would warn the corrective phase is becoming more complex; if breached, then the probability of the futures trading at a new low would start to decrease. The slowdown in downside price action does warn price is becoming vulnerable to an intraday move higher. However, to signal an increase in buyside pressure, we will need to close and hold above the intraday 200-period MA at USD 20,160 and the high of the last dominant bear candle at USD 20,375.

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