FIS SMX Intraday Morning Technical

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Supramax Nov 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	20,186	R1	20,800	20,475	Stochastic oversold	RSI below 50
S2	19,908	R2	21,208			
S3	18,999	R3	21,529			

Source Bloomberg

Synopsis - Intraday

- Price is between the 8-21 period EMA's
- RSI is below 50 (46)
- Stochastic is oversold
- Price is above the daily pivot 19,908
- Technical outlook Previously: Sell side pressure is slowing
- We noted yesterday that having seen an increase in sell side pressure previously, the futures were showing small bear candles, signaling price was starting to slow down. However, the ADX at 33 did suggest that the intraday technical was in a bearish trending environment, warning upside moves had the potential to be countertrend, making USD 21,208 the key resistance to follow. Pullbacks that failed at or below USD 21,208 would warn the corrective phase was 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 did warn price is becoming vulnerable to an intraday move higher. However, to signal an increase in buyside pressure, we would need to close and hold above the intra-day 200-period MA at USD 20,160 and the high of the last dominant bear candle at USD 20,375.
- The futures have moved higher on the slowdown in sell side pressure highlighted yesterday, this has resulted in price closing above the 200-period MA at USD 20,186, and the high of the last dominant bear candle. We are between the 8-21 period EMA's with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 19,908 with the RSI at or below 29 would mean price and momentum are aligned to the sell-side. 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: Buyside pressure increasing
- The close above the intraday 200-period MA and the high of the last dominant bear candle suggest that buyside pressure is increasing. The futures now need to hold above the 200-period MA with the RSI holding above 40; if we do, then the USD 21,208 resistance becomes vulnerable. Failure to hold above the average will warn that support could come under further pressure, as does upside moves that reject the USD 21,208 resistance. The ADX does warn that we are in a bearish trending environment, warning upside moves could be countertrend; however, if the ADX starts to turn higher while above the 25 level, it would suggest that resistance levels could be tested and broken.

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