FIS SMX Intraday Morning Technical

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Supramax Nov 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	20,274	R1	20,883	20,450		Stochastic overbought
S2	20,043	R2	21,208			
S3	19,525	R3	21,529			

Source Bloomberg

Synopsis - Intraday

- Price is below the 8-21 period EMA's
- RSI is below 50 (45)
- Stochastic is overbought
- Price is above the daily pivot 20,883
- Technical outlook Previously: Supported
- The futures were above the USD 20,625 level with the RSI moving above 50 yesterday, implying the technical was supported. However, we are seeing signs of upside rejection at the 55-period EMA at USD 20,879 (we noted that the candle is still open at this point); if we rejected the average and close back below the USD 20,625 level, then we could see the 200-period MA at USD 20,879 come under pressure. For upside continuation we will need to trade above the USD 21,208 resistance with throwbacks holding above the 55-period EMA. We noted that the futures had seen a move of USD 1,500 higher, so we could be becoming vulnerable to an intraday pullback in the near-term.
- The futures failed to hold above the 55-period EMA resulting in price closing back below the USD 20,625 level. We also noted in the close report that the RSI was rejecting the 60 level. Price is selling lower meaning we are below the 8-21 period EMA with the RSI below 50, intraday price and momentum are aligned ot the sell side.
- A close on the 4-hour candle above USD 20,883 with the RSI at or above 50.5 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: Momentum rejection
- The RSI rejected the 60 level yesterday resulting in price selling back below the 55-period EMA at USD 20,854, warning the 200-period MA at USD 20,274 could be tested. The move below USD 20,625 does signal a wakening technical; however, the RSI is still above 40 at this point; a move below 40 would signal momentum weakness. Price is the lead indicator, making the 200-period MA at USD 20,274 the key level to follow, a close and hold below the average, supported by the RSI below 40 would leave support levels vulnerable. Countering this, market sellers should act with caution in the average is defended.

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