

FIS Capesize Intraday

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Capesize Nov 22 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	14,483	R1	15,505		RSI below 50
S2	13,450	R2	16,125		
S3	12,362	R3	16,965		

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is below 50 (47)
- Stochastic is below 50
- Price is above the daily pivot USD 14,483
- Technically bearish yesterday with price rejection the EMA and Fibonacci resistance warning that support levels could be vulnerable, resulting in the USD 13,500 level being broken. However, post market close (or at least post my evening report) Transnet announced it had come to a deal with its union, ending the recent industrial action. We immediately witnessed a sentiment push with price moving USD 1,000 higher to USD 14,750 yesterday evening with the futures trading to a high of USD 15,250 on the open. Price is USD 500 off its high with the futures above the 8-21 period EMA's; the RSI is above 50 whilst price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 14,483 with the RSI at or below 43 will mean price and momentum are aligned to the sell side. upside moves that fail at or below USD 16,965 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 18,750 is the daily technical bullish.
- Regardless of the sentiment push yesterday the futures had been trading at a 4.5k discount to the index, with index levels between Cape, PMX and SMX all within USD 1,000 of each other, meaning the cape front month had looked a little undervalued (as noted on the close report). The strike resolution has resulted in a move higher, closing the disparity with the PMX and SMX futures a little; however, we will need to see support in the index today, as any further weakening there could result in a softening in the futures.

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