

FIS Capesize Intraday

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Capesize Dec 22 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	8,750	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (31)
- Stochastic is oversold
- Price is below the daily pivot USD 8,633
- Technically bearish on Friday with the divergence looking like it could fail; however, price was holding the USD 8,500 support making for an interesting open today, as a momentum push from the 100% projection of the head and shoulders pattern had the potential for market shorts to look for cover. We have moved slightly higher on the open but here has been no upside push (price action is limited due to the futures being on support but rising COVID levels in China are quelling any potential reason to cover), the futures remain below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 8,633 with the RSI at or above 34 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below 10,604 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, price is holding support, downside moves below USD 8,525 do have the potential to create a minor intraday divergence with the RSI, not a buy signal it is warning that we could see a momentum slowdown on a new low, which will need to be monitored.
- The real question is outside of the technical, as in will we see a sentiment push lower due to rising COVID numbers in China? If we don't then we remain vulnerable to short covering.

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