

FIS Capesize Intraday

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

Capesize March 23 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	6,287	6,700	Stochastic oversold	RSI below 50
S2	5,718			
S3	4,907			
R1	7,108			
R2	7,423			
R3	7,986			

Source Bloomberg

Synopsis - Intraday

- Price is below the 8—21 period EMA's
- RSI is below 50 (35)
- Stochastic is oversold
- Price is above the daily pivot USD 7,108
- We were a very cautious bear on the open yesterday as price and momentum had looked to be turning to the buyside, whilst downside moves below USD 7,150 would create a positive divergence with the RSI. The futures did get sold off in the morning session with price trading below the USD 7,150 low. 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 4-hour candle above USD 7,108 with the RSI at or above 43 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 7,986 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 8,750 is the intraday technical bullish.
- The new low means that the futures are now in divergence with the RSI, not a buy signal it is warning that we have the potential to see a momentum slowdown and will need to be monitored. However, if the divergence fails then the USD 5,718 support will be vulnerable.
- We remain technically bearish but as previously highlighted, we have a note of caution due the divergence that is currently in play. A close on the 4-hour candle above USD 7,750 will warn that the USD 7,986 and potentially the USD 8,750 levels could be tested and broken.

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