

FIS Capesize Intraday

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

Capesize June 23 Morning Technical Comment – 240 Min



| Support | Resistance | Current Price | Bull | Bear |
|---------|------------|---------------|---------------------|--------------|
| S1 | R1 | 16,250 | Stochastic oversold | RSI below 50 |
| S2 | R2 | | | |
| S3 | R3 | | | |

Synopsis - Intraday

Source Bloomberg

- Price is between the 8–21 period EMA’s
- RSI is below 50 (38)
- Stochastic is oversold
- Price is above the daily pivot USD 15,658
- Technically bearish yesterday, we noted in the technical report on Wednesday afternoon that we had the potential to trade down to USD 15,040 in the near-term, with the 100% projection value from the daily consolidation pattern at USD 12,932. With the RSI making new lows support levels are looking vulnerable, upside moves looked like they could be countertrend, implying the wave cycle could extend to the downside. The futures traded to a low of USD 14,875 before finding buyside support post index. Price is now 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 15,658 with the RSI at or below 32 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 17,762 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically we remain bearish with intraday Elliott wave analysis suggesting upside moves should be considered as countertrend, making USD 17,762 the key resistance to follow. In theory, this upside move should not hold based on the Elliott wave analysis; however, there are rumours of more bond issues coming out of China that has resulted in iron ore catching a bid this morning. The wave cycle is based on the psychological footprint on the market, so when we start to see government intervention, we become less reliant on the cycle, as it has a higher probability of failing. Suggesting a little caution, as the market might be less technical and more news driven today.

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