

FIS Capesize Intraday

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

Capesize Oct 23 Morning Technical Comment – 240 Min



| Support | Resistance | Current Price | Bull | Bear |
|---------|------------|---------------|--------------|------|
| S1 | R1 | 15,800 | RSI above 50 | |
| S2 | R2 | | | |
| S3 | R3 | | | |

Synopsis - Intraday

Source Bloomberg

- Price is between the 8—21 period EMA's
- RSI is above 50 (54)
- Stochastic is oversold
- Price is above the daily pivot USD 15,716
- We remained technically bullish yesterday with price in a corrective phase having moved lower on the negative divergence and a slowing index. The MA on the RSI on the 1-hour technical had started to move lower, implying lower timeframe momentum was weakening. However, key support remained unchanged at USD 15,182. This was a level that market bulls would want to defend, if broken then the pullback would be considered as deep, meaning that the probability of the futures trading to a new high would decrease. A cautious bull as price was moving lower on the back of the divergence. The futures traded to and closed at USD 15,375 yesterday before finding light bid support this morning. Price is above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the sell side, as the opening candle closed below the daily pivot level.
- A close on the 4-hour candle above USD 15,716 with the RSI at or above 59.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 15,182 will support a bull argument, below this level the technical will have a neutral bias.
- This technical is getting a little more difficult to read. Having moved lower on the negative divergence yesterday, the daily candle produced a weak close, warning support levels are vulnerable. Countering this, the futures are holding above key support (USD 15,182) and the 55-period EMA, the RSI is above 50 with the stochastic in oversold territory. Providing the RSI can hold above 50, then momentum is warning that we could be vulnerable to a move higher. The intraday technical is bullish, with the futures producing a 3-wave pattern lower (the upside move on the 08/09/23 being the second wave), this would suggest that we have the potential to move higher. If we trade below USD 15,375, then the correction becomes complex (a 5-wave move lower), suggesting there is a larger bear cycle in play, implying upside moves will potentially be countertrend. For this reason, we now market USD 15,375 as the key support, rather than USD 15,182. A cautious bull, we still need to see more upside to convince the USD 16,750 resistance will be broken.

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at freightinvestorservices.com