

# FIS Capesize Intraday

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## Capesize Dec 23 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	16,750	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

### Synopsis - Intraday

Source Bloomberg

- Price is above 8—21 period EMA's
- RSI is above 50 (55)
- Stochastic is overbought
- Price is on the daily pivot USD 16,175
- We remained bearish yesterday with intraday Elliott wave analysis suggesting that the upside moves were potentially countertrend. The MA on the RSI did suggest that momentum was supported, whilst price was trading above the 55-period average (USD 16,024). If we did see a close on the 4-hour candle below the average, it would warn that buyside momentum was weakening. The 1-hour RSI had held at resistance into the previous day's close (I.E., there is a very minor divergence in play), resulting in a small move lower on the open. Despite the momentum support, with the intraday wave cycle suggesting this upside moves look to be countertrend whilst we had the minor divergence on the lower timeframe, we remained cautious on upside moves. A move above USD 17,422 would mean that the probability of the futures trading to a new low would start to decrease. The futures continued to sell lower yesterday with price closing at USD 15,900, resulting in a bearish Harami pattern forming on the daily chart. Not a sell signal, the Harami is a warning that the market could be exhausting; however, for confirmation of the pattern we would need to see a close today below yesterday's low. Having closed just below the 55-period EMA (USD 16,043) the futures have opened with bid support, putting price back above the average. Price is above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 16,175 with the RSI at or below 50.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 17,422 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Likewise, downside moves that hold at or above USD 14,738 will support a near-term bull argument, below this level we target the USD 13,625 fractal support.
- The technical remains bearish but momentum remains supported, as the RSI rejected its moving average yesterday. The move higher today means we are back above the 55-period EMA with the futures now testing the USD 16,900 fractal resistance. If broken this will signal that the bearish Harami pattern on the daily chart has failed, meaning it should be ignored; this would also warn that buyside momentum is increasing, leaving the USD 17,422 fractal resistance vulnerable. We should note that a move above USD 16,900 will create a negative divergence on the 1-hour chart hour chart that will need to be monitored.

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