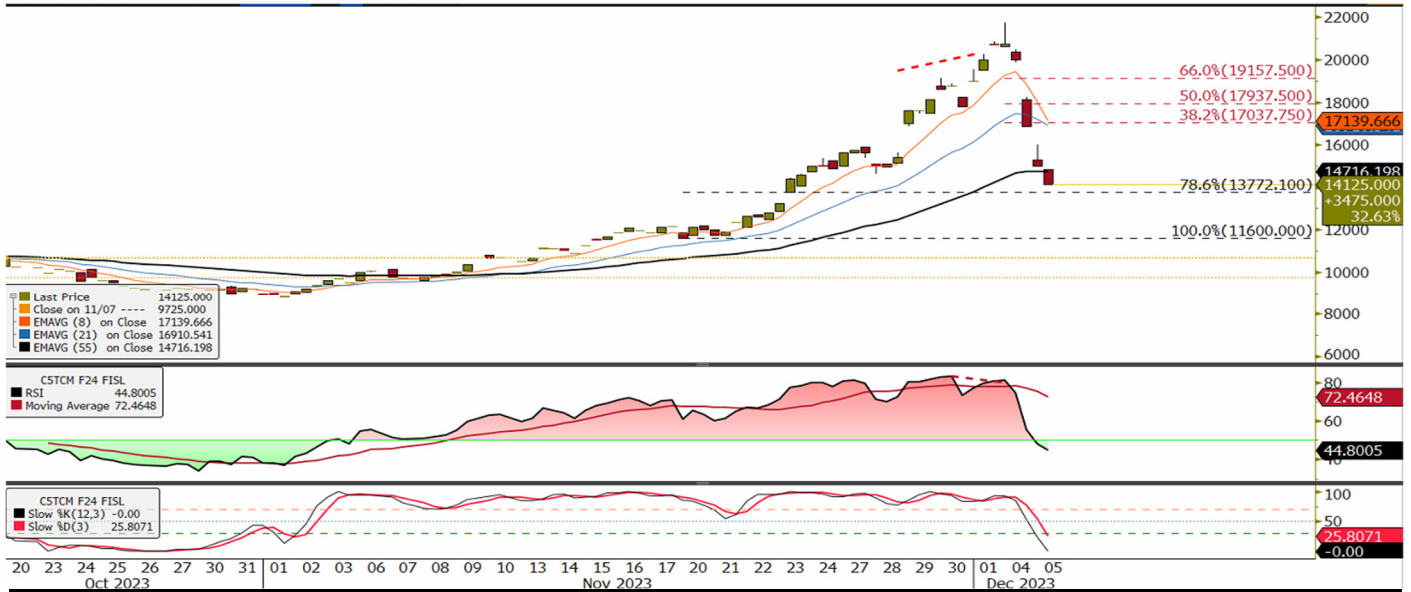


# FIS Capesize Intraday

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## Capesize Jan 24 Morning Technical Comment – 240 Min (outright)



	Support	Resistance	Current Price	Bull	Bear
S1	13,772	R1	17,037	Stochastic oversold	RSI below 50
S2	12,719	R2	17,937		
S3	11,600	R3	18,500		

### Synopsis - Intraday

Source Bloomberg

- Price is below 8—21 period EMA's
- RSI is below 50 (44)
- Stochastic is oversold
- Price is below the daily pivot USD 18,500
- Technically bullish yesterday, the RSI remained in divergence, warning we could see a momentum slowdown, which needed to be monitored. The MA on the RSI was flat, meaning momentum is starting to become neutral. Intraday Elliott wave analysis continues to suggest that downside moves should be considered as countertrend, making USD 15,051 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease. The fact the futures entered a corrective phase is not a surprise, as there had been warning signs due to the divergence and neutral momentum. The USD 7,625 drop, which is 35% in just over 24 hours is a massive surprise. Price is now below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 18,500 with the RSI at or above 74.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 19,157 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 21,750 fractal high.
- Technically we are still bullish but with a neutral bias, as the move below USD 15,051 means that the probability of the futures trading to a new high has started to decrease. We are now trading below the 55-period EMA with the RSI making new lows, implying upside moves are looking like they will be countertrend. A 35% drop since yesterday has resulted in price mean reverting back to (and below) the 55-period EM. In any normal market, this would suggest we have overextended to the downside. However, one should be cautious on upside moves unless price and momentum are aligned to the buyside, with the daily pivot being at 18,500, that will be tomorrow at the earliest at this point, it is now looking like resistance levels will hold if tested. If you do see a close on the 4-hour candle above USD 15,941 it will warn that we could see a move higher in the near-term. We had this move as countertrend, from a technical perspective, I am not sure that we can fully recover from this at this point, due to the speed and depth of the pullback.

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