

FIS Capesize Intraday

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



Support	Resistance	Current Price	Bull	Bear
S1	R1	14,000	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

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 15,200
- Technically we were still bullish but with a neutral bias yesterday, as the move below USD 15,051 meant that the probability of the futures trading to a new high had started to decrease. We were trading below the 55-period EMA with the RSI making new lows, implying upside moves were looking like they would be countertrend. A 35% drop in two days had resulted in price mean reverting back to (and below) the 55-period EMA. In any normal market, this would suggest we were overextended to the downside. However, we noted that one should be cautious on upside moves unless price and momentum were aligned to the buyside, as the daily pivot was at 18,500, implying it would not have been during the previous session, as it is now looked like resistance levels would hold if tested. If we did see a close on the 4-hour candle above USD 15,941 it would warn that we could see a move higher in the near-term. We originally had this downside move as countertrend, from a technical perspective we noted that we could struggle to fully recover, due to the speed and depth of the pullback. The futures failed to close below the 55-period average, resulting in light bid support into the close. We noted in the close report last night that the futures needed to open above the 55-period EMA, daily pivot and the the previous days close if we were to see further upside, we managed to open above the EMA and the daily pivot level but immediately sold lower. Price is below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 15,200 with the RSI at or above 67 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 19,115 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 bullish with a neutral bias. We have had a weak open, warning we are vulnerable to a move lower. However, if we see a close on the 4-hour candle above yesterday's close at USD 15,475, it will put price back above the daily pivot and the 55-period EMA, implying buyside pressure has started to increase. The MA on the RSI continues to suggest that momentum is weak with the RSI making new lows, suggesting resistance levels could hold if tested.

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