

FIS Capesize Intraday

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

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



Support	Resistance	Current Price	Bull	Bear
S1	R1	14,375		RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below 8—21 period EMA's
- RSI is below 50 (43)
- Stochastic is oversold
- Price is above the daily pivot USD 13,000
- Technically bearish on the previous report (22/12), the roll meant that we had a 3-wave corrective pattern lower, known as an A-B-C correction. In theory, this meant that we were potentially on the final corrective wave lower on the daily technical. From an intraday perspective, it was a little hard to establish where we are on the wave C due to the data gap created by the roll. The fact that we are below the base of the wave A (USD 13,875) would suggest that we should look at termination points at the 61.8% and 100% Fibonacci projection levels (USD 11,167 and USD 5,075). We noted that with the Index still around the USD 28,000 level, we are overextended to the downside, meaning we would need to see a strong index sell off in the NY to justify these levels, implying USD 8,488 could also be a level of interest. Bearish, but hard to justify a move lower as we were trading at a USD 16,000 discount to the index. Seasonal holiday or not, the futures have not waited for the index to open on the 02/01/24, as price has seen a strong move higher. Price remains below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 13,000 with the RSI at or above 49 will mean price and momentum are aligned to the buy side; likewise, a close below this level will mean it is aligned to the sell side. Upside moves that fail at or below USD 17,888 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; however, as previously noted we have a 3-wave corrective move lower that has held just above the USD 11,167 support, warning we have potentially seen the termination of the corrective wave C. The MA on the RSI is warning of momentum weakness, but this will be a function of the roll, rather than previous price action. If price and momentum become aligned to the buy side, then the USD 17,888 resistance will become vulnerable, if broken, then the probability of the futures trading to a new low will start to decrease. Above USD 21,025 the technical will be bullish. Bearish, but resistance levels are looking vulnerable, as the corrective cycle has potentially terminated, making USD 17,888 the key level to follow.

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