

FIS Capesize Intraday

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Capesize Jan 24 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	19,250	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 (48)
- Stochastic is oversold
- Price is above the daily pivot USD 18,241
- The Jan and the rolling front month technical were telling us two different things yesterday, but in context we were willing try and make sense of it. In theory, in the Jan outright, downside moves should have been considered as countertrend. However, due to the roll on the rolling chart, the depth of the pullback suggested that the probability of the futures trading to a new high had decreased, the MA on the RSI has naturally started to turn lower, warning of momentum weakness. The fact that we are below the intraday fractal at USD 21,875 told us that the bullish Elliott wave cycle is no longer a factor, suggesting that upside moves on the rolling front month would be countertrend, making USD 26,125 the key resistance to follow. If we moved lower, we should in theory hold above the USD 16,155 level, and move higher (based on the Jan outright). At this point, we should have been able to give more accurate resistance levels which we would blend between the outright on the rolling contract. Jan support levels on the outright to follow were at USD 17,406, USD 16,875, and USD 16,155. The futures traded to a low of USD 17,800 before finding buy-side support. Price is below all key moving averages with the RSI below 50, intraday price and momentum continue to conflict on the rolling contract as the MA on the RSI needs time to catch up.
- A close on the 4-hour candle above USD 18,241 with the RSI at or above 70.5 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 25,934 will leave the futures vulnerable to further tests to the downside, above this level the technical will warn that the USD 30,125 fractal high could come under pressure.
- The futures are now testing that 55-period EMA (USD 19,510), a close above that holds above the average will support a near-term bullish argument. We are still unable to give a better indication of upside resistance levels, as yesterday's pullback on the Jan outright contract was not considered as deep enough to be the pullback we were looking for. Sticking to the Jan outright Elliott wave cycle, downside moves are still considered to be countertrend; however, we have revised key support lower, as it does have a wave extension, making USD 14,402 the key level on the outright. I am going to follow this with a cape Jan technical outright, as this rolling front month is so difficult to explain due to the 12k drop.

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