

FIS Capesize Intraday

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

Capesize May 24 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	28,141	R1	28,750	RSI above 50	Stochastic overbought
S2	25,885	R2			
S3	23,800	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8–21 period EMA's
- RSI is above 50 (55)
- Stochastic is overbought
- Price is above the daily pivot USD 28,141
- Technically we remained yesterday bearish. The futures had traded above the USD 28,750 double top; however, we noted that the break was not clean with the RSI testing resistance from the 11/04. Price was trying to break out of the consolidation pattern highlighted; if we closed above and held above the USD 28,750 level, it would warn that resistance levels were vulnerable. Likewise, if we closed back below the USD 28,750 level and the RSI rejected its resistance, we could see the futures move lower. A close below the weekly pivot level (USD 26,500) would weaken the technical further. The MA on the RSI was implying that momentum is supported; however, the 1-hour RSI was in divergence, meaning we were cautious on upside moves at this point. The futures had a small intraday pullback yesterday to close flat on the day; however, we remained above the 55-period EMA and the weekly pivot level. The futures have moved higher on the open today, we are above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 28,141 with the RSI at or below 51.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 30,407 will leave the futures vulnerable to further tests to the downside, above this level the USD 35,125 – USD 37,750 resistance levels will start to look vulnerable. Likewise, downside moves that hold at or above USD 23,800 will support a near-term bull argument.
- We remain technically bearish on the longer-term technical. I have a sense of Déjà vu, as the futures are again testing the RSI resistance and the top of the triangle pattern. We maintain a cautious view on upside moves due to the RSI/triangle resistance, we also have a negative divergence with the RSI on the lower timeframe. However, we held above the weekly pivot (USD 26,500) and 55-period EMA yesterday, with price testing resistance for the 4th time, meaning we have a pressure point situation forming. This is warning that if we break and hold, we could be vulnerable to a sharp move higher, if this happens the divergence could all fail. We are cautious on upside moves, but conscious that we could 'pop' higher if we hold a breakout.

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