

FIS Capesize Intraday

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Capesize June 24 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	27,375	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (55)
- Stochastic is overbought
- Price is below the daily pivot USD 27,666
- Technically we remained bearish yesterday, the upside move on the back of the futures roll had resulted in the USD 26,799 resistance being broken. In theory this suggested that the probability of the futures trading to a new low had started to decrease, implying resistance levels were starting to look vulnerable. We were trading on the old trend support (trend resistance USD 27,562, current price USD 27,750), if we could close above and old above the line it will further support a buyer's argument. Likewise, a rejection of the trend resistance would suggest caution. The roll had distorted the price action, nonetheless, we were above the weekly pivot level having broken a key resistance, suggesting caution on downside.
- The futures traded higher for the remainder of the session with price closing above the trend line. However, we have seen a small gap lower on the open, putting price back below the trend resistance. We are above all key moving with the RSI above 50, intraday price and momentum are now conflicting.
- A close on the 4-hour candle below USD 27,666 with the RSI at or below USD 42.5 will mean it is aligned to the sell side; likewise, a close above this level will mean it is aligned to the buy 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 technical will have a neutral bias.
- We have seen a small move lower putting price below trend resistance, if we hold below it, we will be vulnerable to a technical pull-back. However, we are above the weekly pivot level (USD 24,500) with the MA on the RSI implying that momentum is supported at this point, warning support levels could hold if tested. We broke the 200-period MA last week, the roll has put us back above it, meaning it is back in play. The longer-term average is sloping higher, the pullback into the last bear wave is deep, momentum is supported, and we are above the weekly pivot level. All of which suggest caution on moves lower in the near-term.

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