

# FIS Capesize Intraday

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## Capesize Dec 24 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	26,050	RSI above 50	overbought
25,509	26,919			
S2	R2			
24,400	28,755			
S3	R3			
23,641	31,875			

### Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (71)
- Stochastic is overbought
- Price is above the daily pivot level USD 23,641
- Technically bearish on Thursday, the futures continued to move higher with price testing the Fibonacci resistance zone. The MA on the RSI implied that we had light momentum support, whilst the RSI was testing resistance. I did not call it a divergence on the 4-hour chart, as it was too marginal; however, we were in divergence on the lower timeframes. This suggested caution on upside moves, as we had the potential to see a momentum slowdown. If we did trade above the USD 26,919 resistance, then the probability of the futures trading to a new low would start to decrease.
- We have seen some heavy short covering in the market, resulting in price moving higher and the lower-timeframe divergences failing. 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 23,641 with the RSI at or below 58.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 26,919 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Likewise, downside moves that hold at or above USD 20,343 will support a near-term bull argument.
- Technically we are still in bearish territory as price remains below the USD 26,919 resistance; if broken, then the probability of the futures trading to a new low will start to decrease. We are now trading above the 200-period MA (USD 25,509), the longer we hold above the average, the higher probability of the USD 26,919 resistance being broken. Conversely, a close back below the average will warn that we are seeing sell side pressure in the market, leaving support levels vulnerable. There are conflicts on the technical, the divergence failure warns that support levels could hold if tested; however, we remain below key resistance but above a trend line that is starting to curve (USD 24,400), meaning it is starting to go parabolic. If we close below the trend support, then market buyers will need to be cautious, not always, but this can sometimes signal that we are vulnerable to an aggressive move lower.

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