

FIS Capesize Intraday

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Capesize Dec 24 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	26,925	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 (72)
- Stochastic is overbought
- Price is above the daily pivot level USD 25,691
- Technically we were still in bearish territory yesterday, as price remained below the USD 26,919 resistance; if broken, then the probability of the futures trading to a new low would start to decrease. We were trading above the 200-period MA (USD 25,509), we noted that the longer we held above the average, the higher probability of the USD 26,919 resistance being broken. Conversely, a close back below the average would warn that we were seeing sell side pressure in the market, leaving support levels vulnerable. There were conflicts on the technical, the divergence failure warned that support levels could hold if tested; however, we remained below key resistance but above a trend line that was starting to curve (USD 24,400), meaning it was starting to go parabolic. If we closed below the trend support, then market buyers would need to be cautious, not always, but this could sometimes signal that we were vulnerable to an aggressive move lower.
- The futures moved higher post close and on the open this morning, resulting in the USD 26,919 resistance being broken. The probability of the futures trading to a new low has now started to decrease. We remain above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 25,961 with the RSI at or below 62.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 20,810 will support a near-term bull argument, below this level the technical will be back in bearish territory.
- Technically bearish with a neutral bias, the probability of the futures trading to a new low has started to decrease, whilst the MA on the RSI is indicating that momentum is supported at this point, in theory, this suggests we move higher, as does the break in key resistance. However, although not an expert on Parabolic trend lines (at all), we do have a curved trend line with price now on the wrong side of it. To be clear, this is not a sell signal, but it is a warning that buyside momentum could be exhausting, suggesting caution on upside moves at these levels. It could be that the trend will just re-adjust (correct then move higher – it is intraday), as we have momentum support. If we see a close on the 4-hour candle below USD 26,341 it will warn that momentum based is showing signs of weakness.

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