

FIS Capesize Intraday

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Capesize Dec 24 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	19,875	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (35)
- Stochastic is oversold
- Price is below the daily pivot level USD 22,350
- Technically bearish yesterday, the MA on the RSI was flat, implying momentum was neutral. As noted previously, lower timeframe Elliott wave analysis suggested that upside moves look like they could be countertrend, making USD 25,530 the key resistance to follow. If broken, then the probability of the futures trading to a new low would start to decrease. We maintained a cautious view on upside moves based on our Elliott wave analysis.
- The upside move failed to hold with price rejecting the 200-period weekly MA (USD 23,112), resulting in the futures trading to a new low. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 22,350 with the RSI at or above 45 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 25,105 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI is indicating momentum is weak. The new low means we have traded below the USD 20,853 support, warning that the probability of the futures trading to a new high has started to decrease. The futures have a 5-wave pattern lower with the lower timeframe RSI in divergence. Not a buy signal the divergence needs to be monitored. The 5-wave pattern suggests we are still on a corrective Elliott wave A, with a downside target at USD 19,124, meaning upside moves should in theory be countertrend. If we do trade above USD 25,105, then the probability of the futures trading to a new low will start to decrease.

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