

FIS Capesize Intraday

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Capesize Dec 24 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	17,225	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 (31)
- Stochastic is oversold
- Price is below the daily pivot level USD 18,458
- Technically bearish yesterday, the MA on the RSI implied that momentum remained weak. The Elliott wave extension meant that upside moves were still considered as countertrend, whilst Fibonacci projection levels suggested that the USD 17,300 low was likely to be broken in the near-term, with a potential downside target as low as USD 13,350.
- The Dec contract has traded below the USD 17,300 level to a new low. The futures have rolled into Jan, creating a downside gap that is distorting the chart, with Dec being so active, we are continuing to look at this period; however, this is not the rolling front month chart. We remain 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 18,458 with the RSI at or above 39 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 24,170 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the downside rejection candle on the daily chart yesterday had warned that we could see bid support today. However, we have continued to see to new lows, resulting in price breaking the USD 17,300 fractal support. We have a 100% Fibonacci projection level at USD 16,575 whilst the 4-hour RSI has a minor divergence in play, this divergence is more prominent on the 1-hour timeframe. Not a buy signal, the divergence is a warning that we could see a momentum slowdown, which will need to be monitored. We maintain our view that upside moves look like they could be countertrend, making USD 24,170 the key resistance to follow. If we do trade above this level, then the probability of the futures trading to a new low will start to decrease. We now have a note of caution on downside moves due to the divergence.

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