

FIS Capesize Intraday

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Capesize Feb 25 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	7,825	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 (36)
- Stochastic is oversold
- Price is below the daily pivot level USD 8,333
- Technically bearish yesterday, the MA on the RSI implied that momentum was weak, whilst the RSI was in the process of rejecting its average. The small upside move previously had seen price reject the 8-period EMA with the futures trading below the USD 8,825 close from 21/01, warning the USD 7,900 fractal low could be tested and broken. We remained cautious on downside breakouts, as it would create another negative divergence with the RSI, warning we could see a momentum slowdown.
- The futures have now sold below the USD 7,900 fractal low. We are below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 8,333 with the RSI at or above 43 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 10,208 will leave the futures vulnerable to further tests to the downside, above this level the technical will have neutral bias.
- Technically bearish, the futures are now in divergence with the RSI; not a sell signal it is a warning that we could see a momentum slowdown, which will need to be monitored. Lower timeframe Elliott wave analysis suggests we have the potential to trade as low as USD 7,114 within this phase of the cycle (Note: the lower timeframe wave cycle is sub-1-hour). If we move higher but reject the USD 10,208 level, it will indicate that there could be a larger wave cycle in play, meaning we could in theory trade as low as USD 2,012. From technical perspective, the divergence means we have a note of caution on moves lower at these levels.

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