

# FIS Capesize Intraday

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

## Capesize May 25 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	18,709	R1	20,266	19,375	Stochastic oversold	RSI below 50
S2	17,725	R2	20,331			
S3	15,650	R3	21,228			

### Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (41)
- Stochastic is oversold
- Price is below the daily pivot level USD 20,266
- Technically bullish yesterday, the futures remained in a corrective phase. The MA on the RSI indicated that momentum remained supported, but the RSI had moved below the average, warning we were seeing signs of momentum weakness. We noted that if we traded below USD 20,328 it would imply that sell side pressure was increasing, leaving the USD 19,300 fractal low vulnerable. However, we thought that the daily 200-period MA at USD 20,180 would have greater importance than the intraday Fibonacci support. The futures had failed to close above the weekly 200-period MA previously (USD 22,027); if we closed below and held below the USD 20,180 level, it would indicate that sell side pressure was increasing, suggesting there would be further downside within this corrective phase. Conversely, if the daily 200-period MA held, it would imply that there was an underlying support in the market. We were bullish with Elliott wave analysis suggesting downside moves should in theory be countertrend, the failure to hold the upside breakout previously did mean that support levels were looking vulnerable.
- The futures sold lower and closed below the daily 200-period MA yesterday (USD 20,149). We have seen another small move lower this morning, resulting in the futures breaching the USD 19,300 fractal support. 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 20,266 with the RSI at or above 54 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 15,650 will support a bull argument, below this level the Elliott wave cycle will have a neutral bias.
- The futures remain bullish but in a corrective phase, the failure to hold the USD 22,250 fractal break has been followed by a move below USD 19,300, indicating that there is a larger, bearish corrective wave in play (A—B—C adjusted accordingly on the chart). We are below the daily 200-period MA, if we hold below this level, we have the potential to test the USD 17,725 Fibonacci support. However, a close back above the daily MA and trend resistance (was previously support—USD 20,271), it will indicate that buy side support is entering the market. We are seeing signs of weakness, but there is now a minor divergence on the 4-hour chart; if it fails, the technical will suggest that we move lower.

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