

FIS Capesize Intraday

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

Capesize Nov 25 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	24,458	R1	25,785	24,875	Stochastic oversold	RSI below 50
S2	23,973	R2	26,375			
S3	21,597	R3	27,175			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (39)
- Stochastic is oversold
- Price is above the daily pivot level (24,458)
- Technically bearish with a neutral bias last week, the MA on the RSI implied that we had light momentum weakness. The downside move meant that price was below the channel support and the intraday 200-period MA (USD 27,423—USD 27,616). A close that held below the resistance zone will warn that sell side pressure is increasing, leaving the USD 25,250 fractal support vulnerable. If broken, then the futures will be back in bearish territory. We continued to be cautious on upside moves due to the island reversal pattern; price action was weakening and now needed to close and hold below the 200-MA.
- The futures have sold below the USD 24,125 fractal low; however, we have opened with light bid support this morning. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 24,458 with the RSI at or above 44.5 will mean price and momentum are aligned to the buy side; likewise, a close below this level will mean it is aligned to the sell side. Upside moves that fail at or below USD 27,175 will leave the futures vulnerable to further tests to the downside, above this level the technical has a neutral bias.
- Technically bearish, the MA on the RSI implies that momentum is weak. We noted previously that the upside move on the 14/10 had the potential to be a failed Elliott wave 5, technically we were cautious on upside moves due to the island reversal pattern. However, there is another scenario, the upside move on the 14/10 was just a high wave B. We highlight this as we now have a corrective 3-wave pattern (Elliott A, B, C) with the futures in divergence on the new low, meaning we are now cautious on downside moves below USD 23,875. Providing we remain above our key longer-term support (USD 21,597) there is a good chance that we remain in the larger bull cycle, having seen a corrective pattern lower, making this the key support to follow. If broken, then the higher timeframe Elliott wave cycle will become neutral. A cautious bear.

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at freightinvestorservices.com