FIS

Capesize Intraday

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Capesize Nov 25 Morning Technical Comment – 240 Min

Support		Resistance		Current Price	Bull	Bear
S1	23,933	R1	25,429	25,000		RSI below 50
S2	22,535	R2	26,087			
S3	21,597	R3	26,979			

Synopsis - Intraday

Source Bloomberg

- Price is between the 8—21 period EMA's
- RSI is below 50 (43)
- Stochastic is below 50
- Price is above the daily pivot level (23,933)
- Technically bearish yesterday, the MA on the RSI implied that momentum remained weak. Fibonacci projection levels suggested that we had the potential to trade as low as USD 22,535; however, the downside move in the futures below USD 23,875 meant that price was in divergence with the RSI. Not a buy signal, it warned that we could see a momentum slowdown, which needed to be monitored. As noted previously, there was a lack of clarity within the wave cycle, as the move to a high of USD 31,000 could have been a failed wave high, or equally a high wave B. What we did highlight was a 3-wave pattern and divergence, suggesting caution on downside moves at those levels. Key longer-term support was at USD 21,597, below this level the higher timeframe wave cycle would have a neutral bias.
- Having traded to a low of USD 23,300 the futures have moved higher due to the positive divergence with the RSI. We are between the 8-21 period EMA's with the RSI below 50, intraday price and momentum are now aligned to the buyside.
- A close on the 4-hour candle below USD 23,933 with the RSI at or below 35 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 26,979 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 we have light momentum support. the futures are now moving higher on the divergence highlighted previously, meaning the Fibonacci resistance zone is vulnerable. Key resistance is at USD 26,979, above this level the probability of price trading to a new low will start to decrease; conversely, if rejected, support levels could come back under pressure. We remain cautious on downside moves as price is moving higher on the divergence, implying momentum support.