FIS Capesize Intraday

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Capesize Nov 25 Morning Technical Comment – 240 Min

Support		Resistance		Current Price	Bull	Bear
S1	24,991	R1	26,087	25,375		RSI below 50
S2	24,175	R2	26,979			
S3	23,300	R3	27,681			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is below 50 (46)
- Stochastic is overbought
- Price is above the daily pivot level (24,991)
- Technically bearish yesterday, the MA on the RSI implied that we had light momentum support. The futures were moving higher on the divergence highlighted previously, meaning the Fibonacci resistance zone was vulnerable. Key resistance was at USD 26,979, above this level the probability of price trading to a new low would start to decrease; conversely, if rejected, support levels could come back under pressure. We remained cautious on downside moves as price was moving higher on the divergence, implying momentum support.
- The futures traded to a high of USD 25,875; however, bids have started to fade. We are above the 8-21 period EMA's supported by the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 24,991 with the RSI at or below 37 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 momentum is supported. Having moved higher on the positive divergence, the futures are now trading in the Fibonacci resistance zone. However, price is finding resistance (highlighted by the bearish candle this morning), whilst the RSI is below 50 with the stochastic in overbought territory. Momentum is starting to conflicting, although the MA on the RSI implies that momentum is supported, the RSI is still below 50, if we move above 50, the overbought stochastic will be considered as less relevant as it is faster moving. A close above the high of the bearish blocking candle (USD 25,875) with the RSI moving and holding above 50 is need for the USD 26,979 resistance to be tested. If broken, then the probability of the futures trading to a new low will start to decrease. Conversely, corrective moves lower that hold at or above USD 24,175 will imply that there is an underlying support in the market. if price and momentum become aligned to the sell side, than support becomes vulnerable. Signs on resistance suggest caution unless we trade above the USD 25,875 level with the RSI moving and holding above 50.