FIS Capesize Intraday

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

Capesize Dec 25 Morning Technical Comment – 240 Min

Support		Resistance		Current Price	Bull	Bear
S1	24,175	R1	25,587	25,350		RSI below 50
S2	23,300	R2	26,087			
S3	22,535	R3	26,979			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is below 50 (46)
- Stochastic is overbought
- Price is below the daily pivot level (25,587)
- Technically bearish yesterday, the MA on the RSI implied that momentum was supported. Having moved higher on the positive divergence, the futures were trading in the Fibonacci resistance zone. However, price was finding resistance (highlighted by the bearish candle), whilst the RSI was below 50 with the stochastic in overbought territory. Momentum was starting to conflict, although the MA on the RSI implied that it was supported, the RSI was still below 50; if we moved above 50, the overbought stochastic would be considered as less relevant, as it was faster moving. A close above the high of the bearish blocking candle (USD 25,875) with the RSI moving and holding above 50 was needed for the USD 26,979 resistance to be tested. If broken, then the probability of the futures trading to a new low would start to decrease. Conversely, corrective moves lower that held at or above USD 24,175 would imply that there is an underlying support in the market. if price and momentum became aligned to the sell side, than support would become vulnerable. Signs of resistance suggested caution, unless we traded above the USD 25,875 level with the RSI moving and holding above 50.
- The futures remained supported yesterday with price slightly lower as we roll into the Dec contract. We are above the 8-21 period EMA's with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 25,587 with the RSI at or below 39.5 will mean price and momentum are aligned to the sell side. Like-wise, a close above this level will mean it is aligned to the buyside. Upside moves that fail at or below USD 26,979 will leave the futures vulnera-ble to further tests to the downside, above this level the technical has a neutral bias.
- Unchanged on the technical today, we continue to see signs of resistance with the bearish candle, whilst the RSI below 50 with the stochastic overbought. For upside continuation we will need to see a close above the USD 25,875 level with the RSI holding above 50; if we did, then the USD 26,979 resistance would become vulnerable. Conversely, market bulls should have a note of caution if price and momentum become aligned to the sell side. USD 24,175 is the key near-term support to follow, corrective moves that hold at or above this level will warn that there is an underlying support in the market.