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	25,108	R1	26,087	25,575		
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 at 50 (50)
- Stochastic is above 50
- Price is above the daily pivot level (25,108)
- Technically bearish yesterday, the futures were holding above the USD 24,175 level at that point, we noted that if we held above it then it would suggest that there was an underlying support in the market, warning the USD 25,875 fractal resistance could come under pressure. Conversely, below USD 24,175 would imply sell side pressure was increasing, leaving that the USD 23,300 fractal low vulnerable. As highlighted previously, we are cautious on downside breakouts below USD 23,300 as the RSI would be divergent with price; likewise, upside moves above USD 26,979 would imply that the probability of the futures trading to a new low would start to decrease. USD 24,175 was the level to follow, if it held, the USD 25,875 resistance becomes vulnerable.
- The futures have seen a small move higher with price above the 8-21 period EMA's whilst the RSI is neutral at 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 25,108 with the RSI at or below 43.5 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 ius supported whilst price is moving higher on the positive divergence with the RSI, warning the USD 25,875 fractal high is vulnerable. We have highlighted and a, b, c, d pattern on the chart; if a-b = c-d, then we have a 100% Fibonacci projection at USD 26,950, whilst key resistance is at USD 26,979, meaning we have a note of caution if we test the resistance zone, as it has the potential to attract market sellers. However, if we trade above USD 26,979, then the probability of the futures trading to a new low will start to decrease. Near-term momentum suggest that we could test the resistance zone highlighted, but we will be cautious around the zone unless the USD 29,679 resistance is breached.