

FIS Capesize Intraday

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Capesize Dec 25 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	25,575	R1	26,979	26,100	RSIO above 50	Stochastic overbought
S2	25,021	R2	27,681			
S3	23,300	R3	28,875			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (53)
- Stochastic is overbought
- Price is above the daily pivot level (25,575)
- Technically bearish yesterday, the MA on the RSI implied that momentum was supported, whilst price was moving higher on the positive divergence with the RSI, warning the USD 25,875 fractal high was vulnerable. We highlighted an a, b, c, d pattern on the chart; if a-b = c-d, then we had a 100% Fibonacci projection at USD 26,950, whilst key resistance is at USD 26,979, meaning we had a note of caution if we tested the resistance zone, as it had 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 would start to decrease. Near-term momentum suggested that we could test the resistance zone highlighted, but we would be cautious around the zone unless the USD 29,679 resistance was breached.
- The futures moved higher yesterday resulting in the USD 25,875 fractal high being breached, we have seen further support on the open this morning, we are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 25,575 with the RSI at or below 44.5 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.
- The futures are moving higher, but at this point we remain in bearish territory. The MA on the RSI implies that momentum is supported; however, we have a 3-wave pattern in play (A-B = C-D) with a 100% Fibonacci projection at USD 26,950, whilst key resistance is at USD 26,979 with the 200-period MA at (USD 27,237). The resistance area above us suggest caution as we approach this area, as it has the potential to attract market sellers. If we trade above USD 26,979, then in theory the probability of the futures trading to a new low will start to decrease; however, if we reject the 200-period MA, or fail to hold above the average, then market bulls should be cautious, as this takes precedence over the USD 26,979 resistance. Price is moving higher, but the traffic ahead does suggest caution whilst below the USD 26,950—USD 27,237 resistance zone.

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