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	25,021	R1	26,066	25,375		Stochastic overbought
S2	24,375	R2	26,979			
S3	23,300	R3	27,681			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (47)
- Stochastic is overbought
- Price is below the daily pivot level (26,066)
- The futures were moving higher but remained in bearish territory. The MA on the RSI implied that momentum was supported; however, we had a 3-wave pattern in play (A-B = C-D) with a 100% Fibonacci projection at USD 26,950, whist key resistance is at USD 26,979 with the 200-period MA at (USD 27,237). The resistance area above us suggested caution as we approached this area, as it had the potential to attract market sellers. We noted that if we traded above USD 26,979, then in theory the probability of the futures trading to a new low would start to decrease; however, if we rejected the 200-period MA, or failed to hold above the average, then market bulls should be cautious, as this took precedence over the USD 26,979 resistance. Price was moving higher, but the traffic ahead did suggest caution whilst below the USD 26,950—USD 27,237 resistance zone.
- The futures remained supported yesterday with price selling lower this morning. We are below all key moving averages with the RSI below 50, intraday price and momentum are conflicting
- A close on the 4-hour candle below USD 26,066 with the RSI at or below 46 will mean price and momentum are aligned to the sell side; likewise, 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 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. The upside move has failed to hold above the 55-period EMA (USD 25,852) resulting in the futures selling lower, warning that USD 25,021 support could be tested and broken. If it is, then it will indicate that the USD 24,375 and USD 23,300 fractal support levels could come under pressure. Conversely, if we hold above this level we have the potential to test the USD 26,275 and the USD 26,979 resistance levels. However, as highlighted previously, we are cautious on upside moves unless we trade above the USD 26,979 level and hold above the 200-period MA (USD 25,837)