

# FIS Capesize Intraday

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## Capesize Jan 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	19,858	R1	20,482	20,200	Stochastic oversold	RSI below 50
S2	19,469	R2	20,906			
S3	18,940	R3	20,975			

Source Bloomberg

### Synopsis - Intraday

- Price is below the 8—21 period EMA's
- RSI is below 50 (44)
- Stochastic is oversold
- Price is below the daily pivot level (20,975)
- Technically bearish yesterday, the MA on the RSI continued to warn that momentum was weak at that point. A close above the high of the last dominant bear candle USD 20,500 would indicate that buy-side pressure was increasing, making USD 22,062 the key resistance to follow. If broken, then the probability of the futures trading to a new low would start to decrease. We continued to be cautious on upside moves in the near-term, as our wave analysis warned that we could struggle to hold.
- The futures traded to a high of USD 21,425; however, the move failed to hold, resulting in price selling to a low of USD 19,900. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 20,975 with the RSI at or above 53 will mean price and momentum are aligned to the buy-side. Upside moves that fail at or below USD 20,906 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the RSI rejected its MA this morning, the average continues to warn that momentum is weak. However, the new low means that the futures are in divergence with the RSI, not a buy signal, it is a warning that we could see a momentum slowdown. Whilst the divergence is in play, we are cautious on downside moves at these levels; if the divergence fails, then we have the potential to trade as low as USD 18,265, as this is the 100% Fibonacci projection of the 3-wave pattern that is now in play. If we hold above the USD 19,858, then resistance levels will remain vulnerable, if broken, then the probability of price trading to a new high will start to decrease.

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