

FIS Capesize Intraday

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Capesize Jan 26 Morning Technical Comment – 240 Min



| Support | | Resistance | | Current Price | Bull | Bear |
|---------|--------|------------|--------|---------------|---------------------|--------------|
| S1 | 19,469 | R1 | 20,250 | 19,750 | Stochastic oversold | RSI below 50 |
| S2 | 18,940 | R2 | 20,683 | | | |
| S3 | 18,265 | R3 | 21,150 | | | |

Source Bloomberg

Synopsis - Intraday

- Price is below the 8—21 period EMA's
- RSI is below 50 (42)
- Stochastic is oversold
- Price is below the daily pivot level (20,250)
- Technically bearish yesterday, the RSI had rejected its MA on the open whilst the average continued to warn that momentum was weak. However, the new low meant that the futures were in divergence with the RSI, not a buy signal, it warned that we could see a momentum slowdown. Whilst the divergence was in play, we were cautious on downside moves at those levels; if the divergence failed, then we had the potential to trade as low as USD 18,265, as this was the 100% Fibonacci projection of the 3-wave pattern that was in play. If we held above the USD 19,858, then resistance levels would remain vulnerable, if broken, then the probability of price trading to a new high would start to decrease.
- The futures traded to a low of USD 19,175, resulting in the divergence failing. We are now seeing light bis support but price remains 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 20,250 with the RSI at or above 48.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 21,782 (revised higher) will leave the futures vulnerable to further tests to the downside, above this level the technical will be back in bullish territory.
- Technically bullish with a neutral bias, the probability of price trading to a new high has started to decrease, making USD 21,782 the key resistance to follow. Above this level the technical will be back in bullish territory. The 4-hour divergence has failed; however, we now have a 1-hour divergence in play, not a buy signal it is a warning that sell side momentum could slow, leaving the futures vulnerable to an intraday move higher today. The move below USD 19,858 means the pullback should be considered as deep, suggesting upside moves now have a greater chance of being countertrend.

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