

FIS Capesize Intraday

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Capesize Jan 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	19,833	R1	21,150	20,750		
S2	19,125	R2	21,782			
S3	18,265	R3	22,279			

Source Bloomberg

Synopsis - Intraday

- Price is below the 8—21 period EMA's
- RSI is below 50 (45)
- Stochastic is below 50
- Price is on the daily pivot level (19,833)
- The downside move below USD 19,675 yesterday meant that the technical was bearish, our Elliott wave analysis had a neutral bias, meaning the probability of price trading to a new high had decreased. The RSI crossed above its average yesterday; however, the MA continued to imply that momentum was weak. Elliott wave analysis based on the corrective phase suggested that upside moves should be considered as countertrend, making USD 21,782 the key resistance to follow. If broken, then the probability of price trading to a new high would start to decrease. With price failing (rejecting) to test the USD 21,782 resistance, the move lower implies that the USD 19,175 fractal low was vulnerable.
- The futures sold to a low of USD 19,250 yesterday, the technical suggested we should move lower today; however, there has been a change in sentiment on the open this morning. We are above all key moving averages with the RSI at 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 19,833 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 21,782 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The technical is bearish based on price. However, having sold lower yesterday, the futures have opened above the previous intraday 4-hour candle high. The candle pattern is known as a bullish kicker, and signals a change in sentiment in the market. If we hold these level into the close, it will warn that the USD 21,782 Fibonacci resistance could be broken. If it is, then the probability of the futures trading to a new low will start to decrease. Note: it is not advisable to sell into a bullish kicker candle pattern.

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