

FIS Capesize Intraday

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Capesize Jan 26 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	20,500		Stochastic overbought
S2	R2			
S3	R3			

Source Bloomberg

Synopsis - Intraday

- Price is below the 8—21 period EMA's
- RSI is below 50 (47)
- Stochastic is overbought
- Price is below the daily pivot level (21,558)
- Bullish based on price yesterday, the MA on the RSI implied that momentum was supported with the futures firmly above the 55-period EMA (USD 20,707), warning the USD 22,202 Fibonacci resistance could be tested and broken. If it was, then market bulls would target the USD 23,125 fractal high; conversely, a rejection of this level would warn that there was a larger bearish corrective phase in play. We were cautious on downside moves, as the bullish kicker pattern implied that we were seeing a change in sentiment, resulting in a bullish Harami breakout pattern on the daily timeframe.
- Having traded to a high of USD 21,925 yesterday the futures did see bids fade into the close. Price is selling lower this morning meaning 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 21,558 with the RSI at or above 52 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 22,202 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bullish but in a corrective phase, the move lower this morning means that price is back below the 55-period EMA (USD 20,746), warning the USD 20,142 Fibonacci support could be tested and broken. If it is, then the market sellers will look to test the low of the breakout gap from the bullish kicker pattern (USD 19,600). Conversely, if we hold above the USD 20,142 level, it will indicate that there is an underlying support in the market. The upside rejection of the USD 22,202 level is warning that support levels are vulnerable, making USD 20,142 support to follow in the near-term. A close that holds back above the 55-period EMA (USD 20,746) will warn that intraday Buyside pressure is increasing.

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