FIS Capesize Intraday

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Capesize Feb 26 Morning Technical Comment – 240 Min

Support		Resistance		Current Price	Bull	Bear
S1	15,406	R1	15,558	15,450	Stochastic oversold	RSI below 50
S2	13,634	R2	17,000			
S3	11,377	R3	17,624			

Source Bloomberg

Synopsis - Intraday

- Price is below the 8—21 period EMA's
- RSI is below 50 (34)
- Stochastic is oversold
- Price is below the daily pivot level (15,558)
- Technical outlook: Cautious Bear. We noted yesterday that weakening price action in the prior session drove futures to a new low, resulting in a positive RSI divergence. While the broader technical structure remained bearish, the presence of divergence warranted caution on further downside, as sell-side momentum might begin to decelerate. This slowdown in downside momentum increased sell-side risk, with the futures becoming more vulnerable to corrective rebounds. As a result, while the bearish bias remained intact, the technical backdrop argued for a more cautious approach to pursuing lower prices.
- The futures sold to a low of USD 15,200 before finding very light bid support. We are below all key moving averages supported by the RSI is below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 15,558 with the RSI at or above 39 will mean price and momentum are aligned to the buyside.
- The outlook is unchanged from yesterday's report. The technical structure remains bearish; however, the key risk at present is momentum risk rather than outright trend risk. The previously highlighted RSI divergence continues to warn that sell-side pressure may be easing, leaving futures vulnerable to an intraday move higher. A move above USD 16,800 would shift the price-based technical bias to bullish. That said, the longer-term structure remains bearish, with the 55-period EMA sloping lower at USD 17,624 and the RSI holding below 50. While the divergence increases the risk of an intraday rally, sustained upside continuation would require price to trade above the 55-period EMA—preferably with the RSI also reclaiming 50—to confirm momentum support. While the divergence remains in play, we continue to exercise caution on further downside moves.