

FIS Capesize Intraday

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Capesize June 26 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	41,625	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Source Bloomberg

Synopsis - Intraday

- Price is above the 8—21 period EMA's
- RSI is above 50 (74)
- Stochastic is overbought
- Price is above the daily pivot level (39,591)
- Intraday Technical Outlook Previously: cautious bull
- Lower timeframe Elliott wave analysis yesterday implied that we should test and trade above the USD 39,875 resistance in the near-term. However, we had reason to be cautious on upside moves, as the previous days rejection candle, although small was on heavy volume, warning that there was weight at higher levels. We also noted that the new high had created a negative divergence with the RSI. Price may trade to a new high, but it was no longer considered as technical buy.
- The futures traded to a new high yesterday, resulting in a near-term divergence coming into play; however, bid support on the open has resulted in the divergence failing. We are above all key moving averages supported by the RSI above 50.
- A close on the 4-hour candle below 39,591 with the RSI at or below 61.5 would mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 38,207 will support a bull argument, below this level the technical will have a neutral bias.
- Intraday Technical Outlook: divergence failure
- The divergence failure on the open means the RSI has made a new high, indicating bullish momentum confirmation, warning intraday downside moves have the potential to be countertrend in the very near-term. However, it is important to note that there are upper channel resistances at USD 42,160. For upside continuation the futures are going to need to close and hold above the line to avoid an intraday pullback.