FIS

Capesize Intraday

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Capesize Aug 26 Morning Technical Comment – 240 Min

Support		Resistance		Current Price	Bull	Bear
S1	31,941	R1	32,777	32,750		
S2	30,825	R2	33,605			
S3	29,687	R3	34,175			

Synopsis - Intraday

Source Bloomberg

- Price is between the 8—21 period EMA's
- RSI is at 50 (50)
- Stochastic is below 50
- Price is above the daily pivot level (31,941)
- Intraday Technical Outlook Previously: Momentum trend break
- We noted yesterday that the RSI was above its trend resistance line, warning that we could see bid support in the futures in the near-term; however, price would need to close and hold above its resistance line at USD 31,762. If we did, it would warn that the USD 34,175 level could come under pressure. With the RSI breaching the 30 line previously, we maintained a cautious approach to higher moves while below the USD 34,175 level. If the USD 34,175 resistance was breached, market sellers should act with caution, as it would warn that the probability of price trading to a new low would start to decrease, strengthening the buyer's argument. We are seeing signs of momentum support but continued to be cautious on higher moves.
- The futures traded at a high of USD 33,250 before seeing bids fade. We are between the 8-21 period EMA's with the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below 31,941 with the RSI at or below 35.5 would mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 34,175 would warn that the corrective cycle was becoming more complex
- Intraday Technical Outlook: Inflection point
- The upside move in the futures have found resistance at the intraday 200-period MA at USD 33,606. The current candle has opened below trend support; however, we are now trading on the trend line, meaning price is at an inflection point. If we close and hold back above the support line, then market buyers will look to test the intraday 200-period MA at USD 33,606, polarity resistance at USD 33,875, and the USD 34,175 Fibonacci level. We identify USD 34,175 as the key resistance on the technical, if breached, then the probability of price trading to a new low would begin to decrease. Market buyers should act with caution if we reject the trend line, the USD 34,175 level, or if the RSI rejects the 60 level, as the RSI breach below 30 previously does warn that upside moves have the potential to be countertrend.