FIS Capesize Intraday

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Capesize Nov 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	37,845	R1	39,958	39,375	Stochastic oversold	RSI below 50
S2	36,378	R2	40,611			
S3	35,262	R3	42,875			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (33)
- Stochastic is oversold
- Price is below the daily pivot level (39,958)
- Intraday Technical Outlook Previously: Inflection point
- We noted yesterday that the move higher on the divergence previously meant that price had moved back above the intraday 200-period MA at USD 40,516. The candle remained open (we remained within the 4-hour period, meaning it is yet to close), if we closed and hold above the average, supported by the RSI reclaiming the 40 level, then we would target the USD 42,875 fractal resistance. A move above USD 42,875 would signal an increase in buyside pressure, warning that the USD 47,380 resistance could be tested. Market buyers should act with caution if we move higher but failed to reclaim the 60 level, as it would suggest there remains an underlying weakness in the intraday technical. If the futures failed to close and hold above the 200-period MA, market buyers should act with caution, as it would indicate support levels remained vulnerable.
- The futures failed to hold above the intraday 200-period MA yesterday with the RSI rejecting the 40 level, this has resulted in the futures trading below the USD 39,500 low. We are below all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above 39,958 with the RSI at or above 37 would mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 47,171 would suggest that support levels remain vulnerable, above this level the probability of the futures trading at a new low would begin to decrease.
- Intraday Technical Outlook: Neutral
- On the sell side, the futures have closed below the intraday 200-period MA at USD 40,611 with the RSI holding below the 40 level; however, this is countered by a positive RSI divergence. The divergence is a condition that warns sell side momentum could slow down, it is not a buy signal that will need confirmation from bullish price action. The confliction on the technical means we are currently neutral. For downside continuation, the RSI would need to make a new low, but this would put the RSI on historical lows, making it a high risk sell. Conversely, price needs to close and hold above the intraday 200-period MA with the RSI reclaiming and holding the 40 level to signal buyside pressure is increasing.

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