FIS Capesize Intraday

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Capesize Nov 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	40,752	R1	42,875	41,500		RSI below 50
S2	40,412	R2	43,734			
S3	39,012	R3	45,193			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is below 50 (47)
- Stochastic is below 50
- Price is above the daily pivot level (40,412)
- Intraday Technical Outlook Previously: Neutral
- We noted yesterday that on the sell side, the futures had closed below the intraday 200-period MA at USD 40,611 with the RSI holding below the 40 level; however, this was countered by a positive RSI divergence. The divergence was a condition that warned sell side momentum could slow down, it was not a buy signal, it needed confirmation from bullish price action. The confliction on the technical meant that we were 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 needed 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.
- The futures have closed above the intraday 200-period MA at USD 40,752 with the RSI reclaiming the 40 level. Price is 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 40,412 with the RSI at or below 35 would mean price and momentum are aligned to the sell-side. 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: Supported
- The futures are above the 200-period MA with the RSI above 50, this signals price is showing signs of support, we now need to hold above these levels; if we do, then we target the USD 42,875 fractal resistance. Upside moves above USD 42,875 would create a higher high on the daily chart, warning the USD 47,171 resistance could be tested. Market longs should act with caution if price move below the 200-period MA supported by the RSI moving below 40, as it would suggest the technical condition is starting to weaken.

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