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	39,308	38,375		RSI below 50
S2	36,378	R2	39,749			
S3	35,262	R3	40,840			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (33)
- Stochastic is below 50
- Price is below the daily pivot level (39,308)
- Intraday Technical Outlook Previously: Neutral
- The failure to hold above the 200-period MA on Thursday warned that the USD 39,012 fractal low could come under pressure on Friday. The RSI was testing 40, if we closed and held below the 40 level, we had the potential to deteriorate further. The caveat, below USD 39,012 the RSI would be divergent with price, a condition that warned that sell side momentum could slow down. A new low while in divergence would from a technical perspective be considered a higher risk sell; however, we were not seeing bullish signals to convince that the market would challenge the upside; hence neutral.
- Having failed to hold above the 200-period MA at USD 40,873 the futures have sold at a new low. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above 39,308 with the RSI at or above 42 would mean price and momentum are aligned to the buy-side; . Upside moves that fail at or below USD 40,840 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: Positive divergence
- The move to a new low means that we have a positive RSI divergence in play; this is a condition that warns that sell side momentum could slow down, it is not a buy signal. Upside moves above USD 40,840 would reduce the probability of price trading at a new low, while a move above the USD 42,175 fractal resistance would signal an increase in buyside pressure, warning resistance levels could be tested. Key longer-term resistance is at USD 46,912, a rejection at or below this level would suggest that the corrective phase has the potential to become more complex. While the divergence is in play, we have a cautious approach to lower moves. If the divergence fails, then the current corrective phase would have the potential to deteriorate further.

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