FIS Capesize Intraday

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Capesize Nov 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	36,449	R1	38,125	37,150	Stochastic oversold	RSI below 50
S2	35,262	R2	39,069			
S3	32,478	R3	40,466			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (30)
- Stochastic is oversold
- Price is below the daily pivot level (38,125)
- Intraday Technical Outlook Previously: Positive divergence
- The move to a new low yesterday meant that we had a positive RSI divergence in play; we noted that this was a condition that warned that sell side momentum could slow down, it was 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 failed, then the current corrective phase would have the potential to deteriorate further.
- The futures continue to sell lower, we remain 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 38,125 with the RSI at or above 40.5 would mean price and momentum are aligned to the buy-side. Upside moves that fail at or below USD 40,466 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
- We noted in the weekly report yesterday that there was a confliction in the technical. The RSI is divergent, warning sell side momentum has the potential to slow down; as noted previously, this is a warning, not a buy signal and would need confirmation from price that it is being respected. However, it does look like that we have seen a lower timeframe bearish Elliott wave extension (Sub 1-hour), this warns that intraday pullbacks could struggle to hold in the near-term, implying caution on higher moves while below the USD 40,466 resistance. Pullbacks above the USD 40,466 would suggest that the probability of the futures trading at a new low would start to decrease.

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