FIS Capesize Intraday

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

Capesize Nov 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	29,671	R1	33,274	32,425	Stochastic oversold	RSI below 50
S2	27,631	R2	34,008			
S3	26,053	R3	36,041			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (17)
- Stochastic is oversold
- Price is below the daily pivot level (34,008)
- Intraday Technical Outlook Previously: Caution on upside moves
- We noted yesterday that we were looking at a lower timeframe Elliott wave extension, this suggested that caution was warranted on upside moves. Key near-term resistance is at USD 39,446, upside moves that failed at or below this level will leave price vulnerable to further tests to the downisde. Above this level the probability of price trading at a new low within this phase of the cycle would start to decrease. The also noted that bearish wave extension could potentially have ramifications to the broader corrective phase, as the move lower consisted of 5 waves, indicating it was bearish impulse, suggesting there could be a larger bear cycle in play. We identified USD 33,199 as an area of interest, as it was the daily 200-period MA, meaning it could attract buyside support if tested.
- The futures closed just above the daily 200-period MA at USD 32,274 yesterday; however, price is below it this morning. We are below all intraday 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 34,008 with the RSI at or above 31.5 would mean price and momentum are aligned to the buy-side. Upside moves that fail at or below USD 38,860 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: Upside moves considered as countertrend
- As highlighted previously, the lower timeframe Elliott wave extension suggest that upside moves should be considered as countertrend, while the 5-wave pattern lower indicates that we could be looking at a larger corrective phase. The ADX at 39 signals that we are in a bearish trending environment, if we do see a daily close back above the daily 200-period MA at USD 32,274, then it would warn of buyside support. We identify USD 38,860 as the key resistance to follow, pullbacks that fail at or below this level will support our bearish Elliott wave cycle.

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at freightinvestorservices.com