

FIS Capesize Intraday

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Capesize Mar 24 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	26,000	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8–21 period EMA's
- RSI is above 50 (70)
- Stochastic is overbought
- Price is above the daily pivot USD 26,558
- Technically bullish yesterday, the RSI was below its MA; however, the average continued to warn that momentum is supported. As noted in the weekly technical on Monday, there was a lower timeframe wave cycle (18 min, so less reliable) that suggested that we could have one more test to the upside. If we closed on the daily chart above the weekly pivot level (USD 25,375) it would warn that the USD 27,875 fractal high could be tested and broken. We were bullish, we continued to have a cautious view on upside moves, as the pullback was on the back of a negative divergence; however, if the 18-min Elliott wave cycle came into play, we should in theory test the USD 27,875 high. The futures moved higher yesterday to close above the weekly pivot level. We noted in the European close report yesterday evening that we should trade to a new high today, with the 18 min Elliott wave cycle (now 53 min) suggesting we could in theory trade as high as USD 29,560. A strong open this morning has resulted in the futures surpassing the USD 29,560 level. We are above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 26,558 with the RSI at or below 64 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 23,775 will support a bull argument, below this level the technical will have a neutral bias.
- Technically we are bullish with the futures in divergence on both the higher and lower timeframes, our revised upside target on the close yesterday has already been achieved. The March April spread has just narrowed by USD 700, which will be a little disappointing to market bulls, as the futures roll tomorrow. The April is going to need to stay supported for a period of time (or move higher) to break the lower timeframe divergences. If we do, we are looking at wave extension, meaning downside moves will in theory be countertrend. We will know more tomorrow, as we stand, we are in divergence. This is not a sell signal, but it will need to be monitored.

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