

FIS Capesize Intraday

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Capesize April 24 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	33,750	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is above 50 (53)
- Stochastic is below 50
- Price is below the daily pivot USD 35,016
- Technically bullish yesterday. The futures had previously closed above the weekly pivot level, confirming that we had buy-side support in the market in the near-term. Intraday Elliott wave analysis suggested that we had a potential upside target as high as USD 41,933 for this phase of the cycle. However, we noted that above USD 37,750, the futures would create a second negative divergence with the RSI. Not a sell signal it warned that we could see a momentum slowdown which would need to be monitored, implying caution on upside breakouts. On the longer-term Elliott wave cycle, downside moves were still considered as countertrend. The futures failed to trade above the USD 37,750 fractal high due to a move lower post index. Price is below the 8-21 period EMA's with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 35,016 with the RSI at or above 61.5 will mean price and momentum are aligned to the buy-side. Downside moves that hold at or above USD 25,210 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the failure to trade to a new high means we have a potential bearish Head and Shoulders pattern forming. The pattern is not in play yet; however, the 3-peaks do signal that there is market resistance forming, warning support levels could come under pressure. We should note that our longer-term Elliott wave analysis continues to suggest that downside moves are considered a countertrend. Upside moves above USD 37,750 will warn that we are looking at futures wave extension within the existing trend; however, this will also create further negative divergences with the RSI, implying caution on upside breakouts.

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