

FIS Capesize Intraday

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Capesize April 24 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear	
S1	32,183	R1	34,750	RSI above 50	Stochastic oversold	
S2	31,500	R2				37,750
S3	30,500	R3				39,750

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is above 50 (55)
- Stochastic is oversold
- Price is above the daily pivot USD 32,183
- Technically bullish on Friday, we noted that on the one hand we are unchanged with downside moves were still considered as countertrend. However, the consolidation phase previously had resulted in our lower timeframe oscillator crossing 0, meaning we looked like we could have entered the higher timeframe corrective wave 4, implying support levels could come under pressure. Momentum indicators were conflicting, as the MA on the RSI warned that it was weak; however, the RSI was still above 50 with the stochastic in oversold territory. We noted that if we traded to a new high, the futures would be on a higher timeframe wave 5, not a wave 3 extension. We traded to a low of USD 31,500 into the close on Friday; however, we have opened with buyside support having held above the 55-period EMA. We are above all key moving averages with the RSI above 50, intraday price and momentum are conflicting, as the RSI remains below its average.
- A close on the 4-hour candle above USD 32,183 with the RSI at or above 57 will mean price and momentum are aligned to the buyside; likewise, a close below this level will mean it is aligned to the sell 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 with downside moves considered as countertrend, we look to be on a corrective Elliott wave 4. We noted on Friday, if we trade above the USD 37,750 level, the futures will be on a higher timeframe wave 5 (there is always a chance it could turn out to be a lower timeframe extension, but this does not look to be the case at this point), meaning price will be in divergence on a new high. This is not a sell signal, it is a warning that we have the potential to see a momentum slowdown, which will need to be monitored. Momentum continues to conflict as the MA on the RSI warns of weakness, but the RSI is above 50 with the stochastic in oversold territory. We are trading above the weekly pivot point (USD 33,375), if we close above this level it will imply that buyside pressure is increasing, meaning we could see the resistance levels come under pressure. We are bullish and moving higher; however, the corrective Elliott wave 2 was shallow, suggesting the corrective wave 4 should in theory be deeper. From a technical perspective, this is a little unusual, meaning we have a note of caution on upside moves at this point.

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