

FIS Capesize Intraday

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Capesize April 24 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	33,375	R1	37,125	RSI above 50	
S2	31,500	R2	37,750		
S3	30,500	R3	39,750		

Synopsis - Intraday

Source Bloomberg

- Price is on the 8—21 period EMA's
- RSI is above 50 (52)
- Stochastic is below 50
- Price is on/below the daily pivot USD 33,816
- Technically bullish yesterday with downside moves considered as countertrend, we looked to be on a corrective Elliott wave 4. We noted on Friday that if we traded 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 would be in divergence on a new high. Not a sell signal, it would warn that we had the potential to see a momentum slowdown, which would need to be monitored. Momentum continued to conflict as the MA on the RSI warned of weakness, but the RSI was above 50 with the stochastic in oversold territory. We were trading above the weekly pivot point (USD 33,375), if we closed above this level, it would imply that buyside pressure is increasing, meaning we could see the resistance levels come under pressure. We were 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 had a note of caution on upside moves at this point. The futures closed above the weekly pivot level with price trading to a high of USD 35,125. However, we are now seeing light selling pressure with the futures sub-USD 34k. Price is on the 8-21 period EMA's with the RSI above 50, intraday price and momentum are conflicting, as the previous candle closed above the daily pivot level.
- A close on the 4-hour candle above USD 33,816 with the RSI at or above 56 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.
- Unchanged on the technical today. Price has closed above the weekly pivot level, but the MA on the RSI continues to warn of momentum weakness, the RSI is currently finding resistance on its average. Like yesterday, we have a note of caution due to the rule of alternation between the wave 2 and the wave 4, as it suggests this current corrective wave should potentially be deeper than it is, meaning we maintain a cautious view on upside moves at this point. If we fail to hold and close on the daily chart back below the weekly pivot level (USD 33,375) it will warn of momentum weakness I.E., yesterday's move higher will have created a false breakout.

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