

FIS Capesize Intraday

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Capesize Feb 25 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	9,125	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below (43)
- Stochastic is oversold
- Price is below the daily pivot level USD 9,441
- Unchanged on the technical yesterday, we remained bearish with a neutral bias, the probability of the futures trading to a new low has started to decrease. However, we noted that if we traded below USD 9,124, then the technical would be back in bearish territory, warning the USD 7,900 fractal low would start to look vulnerable. We initially moved higher on the back of a positive divergence with the RSI, whilst the lower timeframe Elliott wave cycle looked like it may have completed; the upside move to USD 11,500 means we have entered a higher timeframe countertrend wave 4. In theory, corrective patterns tend to consist of 3-waves, suggesting we should trade above the USD 11,500 fractal resistance, meaning we continue to have a note of caution on downside moves whilst above the USD 11,124 level.
- The futures have failed to trade above the USD 11,500 level with price trading at a low of USD 9,000 on the open, meaning the technical is back in bearish territory. We are below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 9,441 with the RSI at or above 51 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 11,135 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Note: the USD 11,135 resistance is back in play due to the USD 11,124 support being breached.
- Technically bearish, The MA on the RSI is implying that we have light momentum weakness. The breach in the USD 9,124 level is supported by a lower timeframe oscillator cross, warning we could be in the early stages of a bearish impulse Elliott wave 5. However, ultimately, confirmation of a wave-5 will only come from a move below USD 7,900 fractal low. If we trade to a new low, then Elliott wave analysis would suggest we could trade as low as USD 2,012 within this phase of the cycle. Although not impossible, index lows below USD 2,500 in the last 9 years have historically been followed by bullish moves in the region of USD 15,000 to USD 20,000. A move below USD 7,900 will also create a positive divergence with the RSI; not a buy signal, it does warn that we could see a momentum slowdown, suggesting caution on downside breakouts. The technical condition is weakening, warning support levels are more vulnerable today than they were yesterday.

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