

FIS Capesize Intraday

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Capesize Feb 25 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	7,900	R1	9,158	Stochastic oversold	RSI below 50
S2	6,112	R2	11,135		
S3	4,062	R3	12,750		

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below (39)
- Stochastic is oversold
- Price is below the daily pivot level USD 9,158
- Technically bearish on Friday, The MA on the RSI implied that we had light momentum weakness. The breach in the USD 9,124 level was 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 would only come from a move below USD 7,900 fractal low. If we traded to a new low, then Elliott wave analysis suggests 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 would also create a positive divergence with the RSI; not a buy signal, it did warn that we could see a momentum slowdown, suggesting caution on downside breakouts. We noted that the technical condition was weakening, warning support levels are more vulnerable than they were previously.
- Sideways action on Friday, the futures are selling lower this morning. 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 9,158 with the RSI at or above 49 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.
- Technically bearish, the MA on the RSI implies we have light momentum weakness. As noted on Friday, the breach in the USD 9,124 support is warning that we could be in the early stages of a bearish impulse Elliott wave 5, meaning the USD 7,900 fractal low is vulnerable. If broken, wave analysis suggests that we could trade as low as USD 2,012; however, a new low will create a positive divergence with the RSI, meaning we have a note of caution on downside breakouts below USD 7,900.

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