

FIS Capesize Intraday

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Capesize April 25 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	21,541	21,875	RSI above 50	
S2	20,253			
S3	18,375			
	R1	23,026		
	R2	24,358		
	R3	24,524		

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (60)
- Stochastic is below 50
- Price is above the daily pivot level USD 21,541
- Technically bullish on the previous report, the futures remained in divergence with the RSI, whilst our wave analysis indicated we had a potential upside target for this phase of the cycle between USD 24,358 and USD 24,524. The upside rejection that morning warned that there was resistance at higher levels, meaning support levels were starting to look vulnerable. However, we reiterated that we are on an Elliott wave 5 of a higher timeframe wave 3, meaning downside moves were still considered as countertrend. The divergence alongside the upside rejection meant we were seeing warning signs of technical weakness.
- The futures sold to a low of USD 21,375 on Friday before finding light bid support on the open this morning. We are above the 8-21 period EMA's with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 21,541 with the RSI at or above 66.5 will mean price and momentum are aligned to the buy side; likewise, a close below this level will mean it is aligned to the sell side. Downside moves that hold at or above USD 20,253 will support a near-term bull argument, below this level the technical the lower timeframe wave cycle will have a neutral bias, warning we could be entering a higher timeframe countertrend corrective wave 4.
- Technically bullish, the MA on the RSI implies that we have light momentum weakness. The futures have now entered a corrective phase; however, we are yet to confirm that this is a higher timeframe Elliott wave 4, meaning upside moves that trade to a new high from here will be considered as part of the lower timeframe wave cycle. Moves higher that reject the USD 23,026 resistance will imply that there is further downside within this corrective phase; likewise, if broken it will warn that the USD 23,900 fractal high could be tested and broken. If it is, then it will signal that we have seen a lower timeframe Elliott wave extension. Due to the divergence in play, we maintain a note of caution on upside breakouts at this point.

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