

FIS Capesize Intraday

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Capesize May 25 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	20,625	Stochastic oversold	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the 8—21 period EMA's
- RSI is above 50 (51)
- Stochastic is oversold
- Price is above the daily pivot level USD 19,750
- Unchanged on the technical on Friday. We remained bullish but in a corrective phase with the futures above trend support (USD 18,841) but below the 55-period EMA (USD 20,042). A close above that held above the 55-period average would warn that the USD 21,272 resistance could be tested and broken; likewise, a close above the daily 200-period MA (USD 20,269) would further support a bull argument. If we did breach the USD 21,272 resistance, then we would target the USD 22,250 and USD 24,000 fractal resistance levels. Likewise, a rejection of the EMA, the daily MA, or the USD 21,272 level would warn that there could be further downside within this corrective phase. As noted in the close report previously, market profile charts highlighted that the futures were trading in a support zone, whilst our Elliott wave analysis suggests downside moves should be considered as countertrend, meaning we remained cautious on corrective moves lower. We were seeing evidence of support, the futures now needed to close above and hold above the daily 200-period MA.
- The futures have gapped higher on the roll into May, price is above all key moving averages with the RSI near-neutral at 51, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle above USD 19,750 with the RSI at or below 43.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 15,650 will support a bull argument, below this level the Elliott wave cycle will have a neutral bias.
- Technically bullish, the gap higher on the open means price is above the intraday 55-period EMA and the daily 200-period MA (USD 20,040—USD 20,246); however, the upside move on the open is rejecting the USD 21,247 resistance at this point. If we hold above the moving averages, then resistance levels will remain vulnerable; if the averages are broken, then we target trend support at USD 19,118. We maintain our view based on Elliott wave analysis that downside moves should be considered as countertrend.

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