

FIS Capesize Intraday

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Capesize May 25 Morning Technical Comment – 240 Min



Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (45)
- Stochastic is overbought
- Price is below the daily pivot level USD 18,683
- Near-term price action remained bullish yesterday with price approaching, but remaining below the 55-period EMA (USD 19,071). We noted that a close above that held above the average would warn that the USD 21,299 resistance could be tested and broken; if it was, it will indicate that we could be entering a higher timeframe bullish impulse Elliott wave 5. Conversely, if we rejected the 55-period EMA, it would imply that support levels could come under pressure. However, for downside continuation, the futures would need to see a daily close below the weekly pivot level (USD 17,725). The move above the USD 18,125 had momentum support, warning the 55-period EMA could be tested and broken.
- The futures traded to a high of USD 18,900 before selling lower this morning, meaning price failed to trade above the 55-period EMA (USD 19,019). We are below the 8-21 period EMA's with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 18,683 with the RSI at or below 41 will mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buy 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. However, upside moves that fail at or below USD 21,299 will warn that there could be a larger, bearish, Elliott wave correction in play.
- Technically bullish, the MA on the RSI implies that momentum is supported at this point. However, the rejection of the 55-period EMA is warning that the weekly pivot level (USD 17,725) could come under pressure. A daily close below this level will imply that sell side pressure is increasing, meaning the USD 16,250 support will become vulnerable. Likewise, failure to close below the weekly pivot will warn that there is an underlying support in the market. We are lower this morning, but price action is lacking directional bias whilst between the 55-period EMA and the weekly pivot level. Neutral

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