

FIS Capesize Intraday

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Capesize June 25 Morning Technical Comment – 240 Min



Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (39)
- Stochastic is overbought
- Price is below the daily pivot level USD 19,125
- The Elliott wave cycle remained bullish but in a corrective phase on Friday; however, we were now trading on fractal resistance. previously, I had missed the daily 200-period MA at USD 19,408 and noted that for upside continuation, we were going to need to see a daily close above that held above this level, not the USD 19,375 level. If we did, then the USD 21,365 resistance would become vulnerable; likewise, failure to move above this level would warn that the intraday 200-period MA at USD 18,360 could come under pressure. We were supported, the Elliott wave cycle suggests downside moves should be considered as countertrend, but we needed a bullish daily close to move higher.
- The futures rejected the daily 200-period MA (USD 19,344) of Friday resulting in price gapping lower on the open today. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 19,125 with the RSI at or above 49.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 15,684 will support a bull argument, below this level the Elliott wave cycle will have a neutral bias.
- Near-term price action is bearish, the higher timeframe Elliott wave cycle is theoretically bullish but in a corrective phase. The rejection of the USD 21,365 level indicates that there is a larger correction in play, whilst the rejection of the daily 200-period MA is suggesting that the USD 15,684 support is now vulnerable. If broken, then the probability of price trading to a new high within this phase of the cycle will start to decrease, warning there is a greater chance that the bullish wave cycle will fail.

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