

FIS Capesize Intraday

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Capesize Aug 25 Morning Technical Comment – 240 Min



Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is below 50 (60)
- Stochastic is above 50
- Price is above the daily pivot level (USD 18,133)
- Technically bearish yesterday, the MA on the RSI was starting to flatten, warning buyside momentum could be slowing. Price was below the 55 —period EMA, if we held below it and price and momentum become aligned to the sell side, then support levels could come under pressure. We had one small issue on the bear argument, the futures are trading on the daily 200-period MA (USD 17,908), meaning we were at an inflection point. We were seeing signs of weakness; however, without confirmation on the daily, we had to be cautious at that level.
- The futures held above the daily 200-period MA with price finding bid support post index. We have opened with bull support this morning, putting price above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 18,133 with the RSI at or below 48 will mean price and momentum are aligned to the sell side. 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. Likewise, upside moves that fail at or below USD 19,512 will leave the futures vulnerable to further tests to the downside.
- Near-term price action is still considered as bearish; however, price has held the daily 200-period MA whilst the MA on the RSI implies momentum is supported, warning the USD 19,512 resistance could be about to be tested and broken. If it is, then the probability of the futures trading to a new low will start to decrease. Likewise, upside moves that reject the USD 19,512 level will leave support levels vulnerable. Our analysis had this upside move as countertrend, the holding of the daily average, alongside momentum support is warning otherwise.

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