

FIS Capesize Intraday

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Capesize Aug 25 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	21,723	R1	22,441	24,275	RSI above 50	Stochastic overbought
S2	20,750	R2	26,447			
S3	19,430	R3	29,219			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (71)
- Stochastic is overbought
- Price is below the daily pivot level (USD 24,441)
- Technically bullish yesterday, the MA on the RSI implied that momentum was supported. As noted in the close report previously, the futures had confirmed that we were on the longer-term bullish Elliott wave 5 of the cycle that had been in play since the high in March. Within this wave 5 we were on a wave 3 of a wave 3. Our Elliott wave analysis warned that downside moves should be considered as countertrend, as there should in theory be further upside within this cycle. The 1-hour RSI was in divergence due to the move higher, this needed to be monitored; however, the 4-hour RSI was making new highs, supporting our wave analysis. A close below the low of the last dominant bull candle (USD 22,875) would warn that buyside pressure was easing, implying we could be entering into a countertrend move lower. If we did trade below USD 19,387 the pullback would be considered as deep, meaning the probability of price trading to a new high would start to decrease. The 4-hour ADX was at 40, whilst the daily ADX is at 23, both supported a bullish trending environment.
- The futures are starting to consolidate near-their highs. Price is above all key moving averages with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 24,441 with the RSI at or below 70.5 will mean price and momentum are aligned to the sell side. Likewise, a close above this level will mean it is aligned to the buyside. Downside moves that hold at or above USD 19,430 will support a bull argument, below this level the near-term Elliott wave cycle will have a neutral bias.
- Technically bullish with our Elliott wave analysis suggesting downside moves should be considered as countertrend. The MA on the RSI has started to flatten, warning buyside momentum is slowing. The futures are now consolidating near their highs, suggesting we are seeing some distribution in the market, warning we are looking vulnerable to an intraday corrective move lower.

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