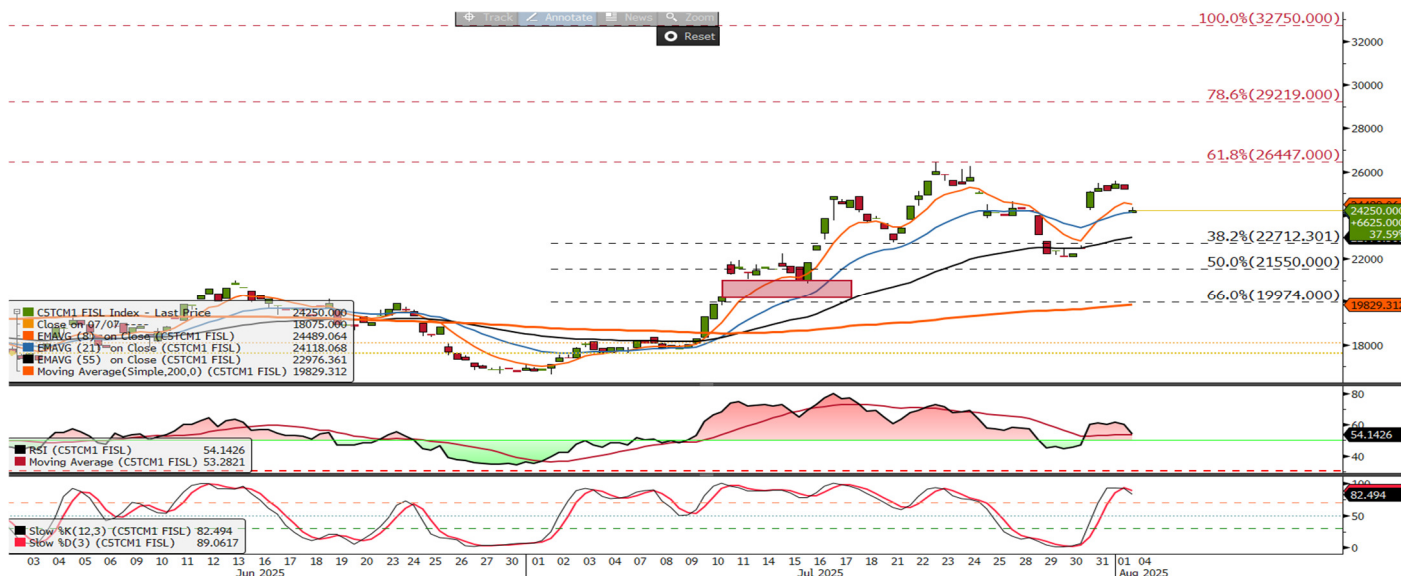


FIS Capesize Intraday

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Capesize Sep 25 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	24,250	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the 8—21 period EMA's
- RSI is above 50 (54)
- Stochastic is overbought
- Price is below the daily pivot level (USD 25,325)
- Technically bullish on Friday, the futures were finding bid support due to our Elliott wave analysis, indicating downside moves should be considered as countertrend. Upside moves above USD 26,475 would create a second divergence with the RSI; not a sell signal, it warned that there could see a momentum slowdown, which needed to be monitored. However, a new high would also create a lower timeframe bullish Elliott wave extension, meaning downside moves should in theory still be considered as countertrend, even if we saw an upside breakout. Having held the 55-period EMA and the Fibonacci support zone, the USD 26,475 resistance was looking vulnerable, implying we could be looking at a wave extension. We maintained our view that downside moves should be considered as countertrend at that point.
- We consolidated on Friday; we noted on the close report that it was unclear if the futures were readying to roll over to the sell side, or whether it was Friday afternoon apathy. Price has subsequently gapped lower on the open, meaning we are between the 8-21 period EMA's with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 25,325 with the RSI at or below 51 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 19,974 will support a bull argument, below this level the near-term Elliott wave cycle will have a neutral bias.
- Technically bullish, The MA on the RSI is flat, implying momentum is neutral. The futures have gapped lower on the open, warning the Fibonacci support zone could come under pressure in the near-term. However, our Elliott wave analysis does suggest that downside moves should be considered as countertrend, making USD 19,974 the key support to follow. We are trading on the weekly pivot level (USD 24,291), meaning we are at an inflection point, a daily close above this level will imply there remains an underlying support in the market. Conversely, a close below USD 24,291 will indicate that sell side pressure is increasing, leaving support levels vulnerable.

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