

FIS Capesize Intraday

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

Capesize Sep 25 Morning Technical Comment – 240 Min



Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (60)
- Stochastic is overbought
- Price is above the daily pivot level (USD 25,258)
- Technically bullish yesterday, having consolidated previously price was seeing light bid support. We noted that if we closed back above the weekly pivot level (USD 24,291), it would indicate that there was an underlying support, warning the USD 25,557 fractal resistance could be tested and broken. If it was, then market bulls would target the USD 26,475 fractal high. Conversely, market longs would need to be cautious if we closed below the USD 24,219 level for a second day, as it would indicate that selling pressure persisted. As noted previously, our Elliott wave analysis did suggest that downside moves should be considered as countertrend.
- The futures continued to find buyside support for the remainder of the session with price trading to a high of USD 26,125. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 25,258 with the RSI at or below 55 will mean price and momentum are aligned to the sell 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 implies that we have light momentum support. The futures looking to be on a bullish Elliott wave 5, suggesting the USD 26,475 resistance will be tested and broken; if it is, then we have a potential upside target at USD 28,187 for this phase of the cycle. However, a new high will create a negative divergence with the RSI; not a sell signal, it is a warning that we could see a momentum slowdown, which will need to be monitored. Based on our Elliott wave analysis, we maintain our view that downside moves should still be considered as countertrend.

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