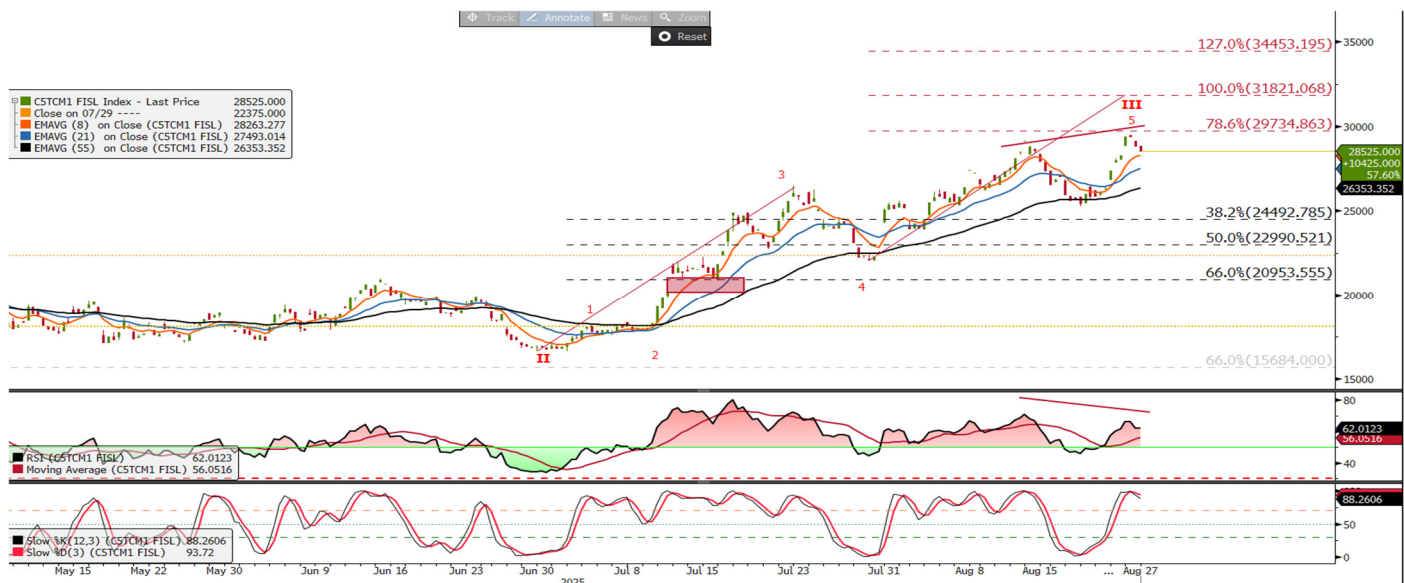


FIS Capesize Intraday

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Capesize Sep 25 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	27,291	R1	29,050	28,525	RSI above 50	Stochastic overbought
S2	26,183	R2	29,734			
S3	24,492	R3	31,821			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (62)
- Stochastic is overbought
- Price is below the daily pivot level (USD 29,050)
- Technically bullish yesterday, the upside move to a new high meant that we had seen an extension within the lower timeframe Elliott wave cycle. However, the upside move in the futures meant that we had two negative divergences in play. Not a sell signal, they were a warning that buyside momentum could slow, which needed to be monitored. If the near-term divergence failed, it would warn that there was still room for further upside within the lower timeframe Elliott wave cycle. With the higher timeframe Elliott wave cycle failing to confirm the corrective wave 4, downside moves should be considered as countertrend.
- The futures have seen a small pullback on the back of the negative divergence with the RSI. We remain above all key moving averages supported by the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 29,050 with the RSI at or below 54 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 20,953 will support a bull argument, below this level the Elliott wave cycle would have a neutral bias.
- Technically bullish but in a corrective phase, the MA on the RSI continues to suggest that momentum is supported. If price and momentum become aligned to the sell side, market sellers will look to test the weekly pivot level (USD 27,291); a daily close below this level will warn that Fibonacci support could come under pressure. We remain cautious on upside moves due to the divergence in play; however, our Elliott wave analysis continues to suggest that downside moves should be considered as countertrend.

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