

FIS Capesize Intraday

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Capesize Oct 25 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	26,895	R1	28,041	27,100		RSI below 50
S2	26,559	R2	29,000			
S3	25,275	R3	29,500			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (48)
- Stochastic is above 50
- Price is below the daily pivot level (USD 28,041)
- Technically bullish yesterday, having gapped higher on the roll, the futures had started to sell lower. As noted previously, with price moving lower on the negative divergence, we had a note of caution on upside moves, as USD 29,500 would create further divergences with the RSI, suggesting upside breakouts could struggle to hold. Whilst above the 55-period EMA (USD 26,795) resistance levels remain vulnerable, a close that below it would warn that the Fibonacci support zone could come under pressure. Higher timeframe Elliott wave analysis continued to suggest that downside moves should be considered as countertrend. We were a cautious bull at those levels due to the divergence at higher levels.
- The futures continue to sell lower with price approaching the 55-period EMA (USD 26,895). We are below the 8-21 period EMA's with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 28,041 with the RSI at or above 57 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 21,002 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 implies that momentum is weak. Higher timeframe Elliott wave analysis suggests that downside moves should be considered as countertrend. We have the 55 period EMA at USD 26,895 whilst USD 26,559 is two standard deviations below the linear regression line, meaning we are approaching a support zone. We remain cautious on upside moves as price is yet to confirm the higher timeframe Elliott wave 4, but price is on support, suggesting we need to see further downside. If we trade below USD 25,275, then linear regression will need to be run from the USD 29,500 high whilst in the corrective phase. Caution on upside moves, but on support, meaning we could see intraday support here. We currently have a neutral view whilst the technical conflicts.

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