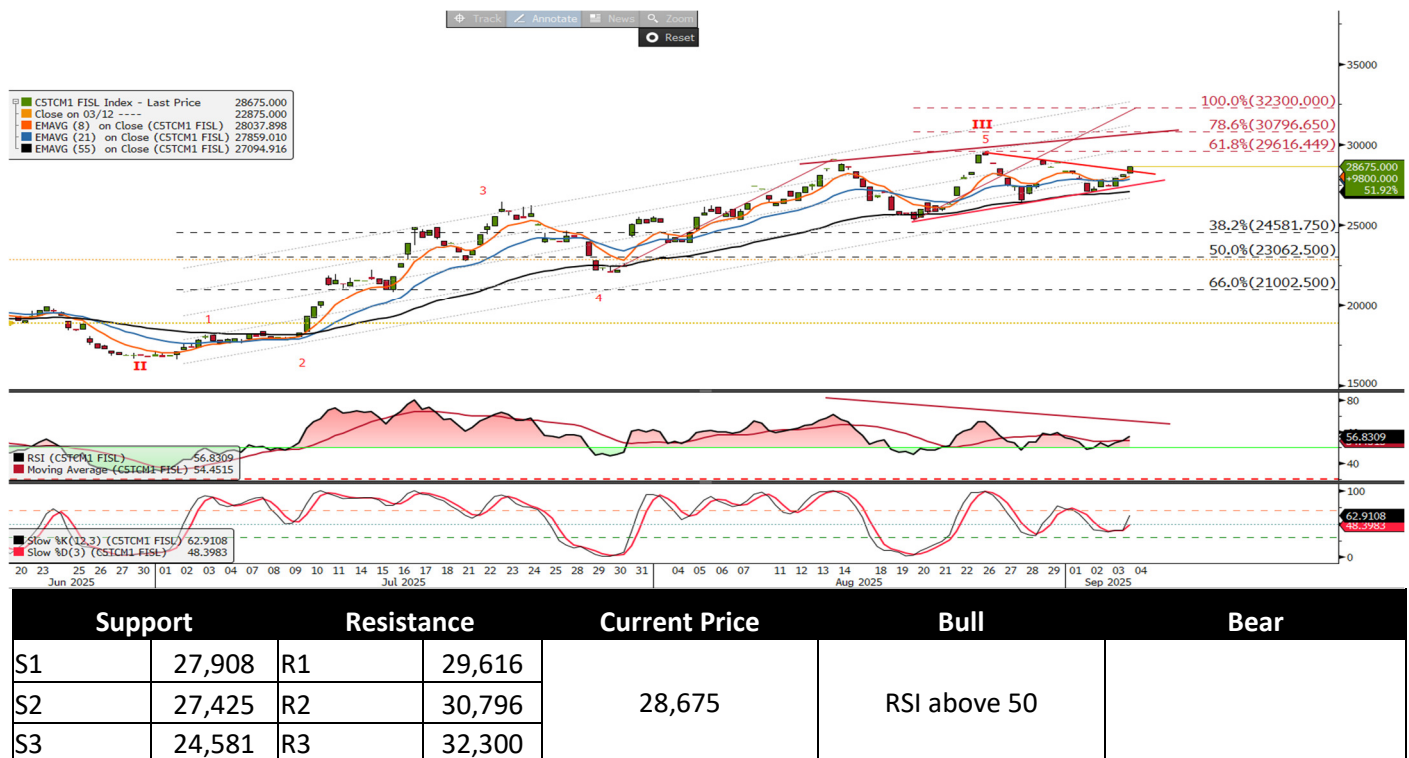


FIS Capesize Intraday

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Capesize Oct 25 Morning Technical Comment – 240 Min



Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (56)
- Stochastic is below 50
- Price is above the daily pivot level (USD 27,908)
- Technically bullish but in a corrective phase on Tuesday, the MA on the RSI implied that momentum was weak. Higher timeframe Elliott wave analysis suggested that downside moves should be considered as countertrend. We had the 55 period EMA at USD 26,559 was two standard deviations below the linear regression line, meaning we were approaching a support zone. We remained cautious on upside moves as price was yet to confirm the higher timeframe Elliott wave 4, but we were on support, suggesting we needed 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. Cautious on upside moves, but on support, meaning we could see intraday support here. We currently had a neutral view whilst the technical conflicted.
- The futures held the linear regression support with price breaking the symmetrical triangle that has formed to the upside. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 27,908 with the RSI at or below 52 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 21,002 will support a bull argument, below this level the Elliott wave cycle will have a neutral bias.
- Technically bullish, the futures have broken the symmetrical triangle to the upside. If we close and hold above the trend resistance line (USD 28,348), it will signal buy side pressure is increasing, warning the USD 29,500 fractal high could be tested and broken. However, we already have two negative divergences in play, meaning we maintain a cautious view on upside moves and upside breakouts, as they could struggle to hold. A close below the trend support line will mean price action should be considered as neutral, whilst a close that holds below USD 27,425 will indicate sell side pressure is increasing. A cautious bull due to the divergences at higher levels. Longer-term (higher timeframe) Elliott wave analysis continues to suggest that downside moves should be considered as countertrend.

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