

FIS Capesize Intraday

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Capesize Oct 25 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	27,164	R1	28,208	27,425	RSI below 50
S2	26,742	R2	28,227		
S3	24,581	R3	29,616		

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is above 50 (49)
- Stochastic is above 50
- Price is below the daily pivot level (USD 28,208)
- Technically bullish yesterday, the futures had broken the symmetrical triangle to the upside. We noted that if we closed and held above the trend resistance line (USD 28,348), it would signal buyside pressure was increasing, warning the USD 29,500 fractal high could be tested and broken. However, we already had two negative divergences in play, meaning we maintained a cautious view on upside moves and upside breakouts, as they could struggle to hold. A close below the trend support line would mean price action should be considered as neutral, whilst a close that holds below USD 27,425 would indicate sell side pressure is increasing. A cautious bull due to the divergences at higher levels. Longer-term (higher timeframe) Elliott wave analysis continued to suggest that downside moves should be considered as countertrend.
- The upside breakout failed to hold yesterday with the futures trading below the trend support line (currently USD 27,630). We are below the 8-21 period EMA's with the RSI bear neutral at 49, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 28,208 with the RSI at or above 55 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 will have a neutral bias.
- Technically bullish but in a corrective phase, the MA on the RSI implies that we have light momentum weakness. The failed upside breakout is warning support levels are vulnerable, a close below the 55-period EMA (USD 27,164) will weaken the technical further, leaving the Fibonacci support zone vulnerable. The longer-term Elliott wave cycle continues to suggest that downside moves should be considered as countertrend; however, we are cautious on moves higher in the near-term, as it looks like there should be further downside within this corrective phase.

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