

FIS Capesize Intraday

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Capesize Oct 25 Morning Technical Comment – 240 Min



	Support		Resistance	Current Price	Bull	Bear
S1	28,816	R1	29,916	28,800	RSI above 50	Stochastic overbought
S2	27,766	R2	30,011			
S3	27,539	R3	30,796			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (55)
- Stochastic is overbought
- Price is on the daily pivot level (USD 28,816)
- Technically bullish yesterday, the futures remained supported with the USD 29,500 fractal high looking like it could be tested and broken. However, as highlighted previously, we have two divergences in play, and a third above USD 29,500. Although not a sell signal, it warned that we could see a momentum slowdown. From a technical perspective, the futures were not considered a buy at those levels, as momentum suggested that upside breakouts could struggle to hold, which would leave the futures vulnerable to a corrective move lower.
- The futures remained supported but below the USD 29,500 fractal high; however, we have traded up to USD 29,500 on the open this morning, before seeing a light pullback. 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 28,816 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.
- Unchanged on the technical this morning, The MA on the RSI continues to suggest that momentum is supported. However, as highlighted previously, upside moves above USD 29,500 will trigger a third divergence (technically the divergence is already in play, as USD 29,500 has printed this morning with the RSI nowhere near its high), meaning we remain cautious on upside breakouts. Markets bulls will need to be cautious on a close that holds below the 55-period EMA and the near-term fractal support (USD 27,536—USD 27,250), as it will warn that we could be entering a corrective phase. A cautious bull, from a technical perspective, the futures are not considered as buy at these levels.

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