

FIS Capesize Intraday

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Capesize Oct 25 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	27,832	R1	28,841	27,925		RSI below 50
S2	27,625	R2	29,500			
S3	27,250	R3	29,616			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is below 50 (49)
- Stochastic is overbought
- Price is below the daily pivot level (USD 28,841)
- Unchanged on the technical yesterday, The MA on the RSI continued to suggest that momentum was supported. However, as highlighted previously, upside moves above USD 29,500 would trigger a third divergence (we noted that technically the divergence was already in play, as USD 29,500 had printed), meaning we remained cautious on upside breakouts. Markets bulls needed to be cautious on a close that held below the 55-period EMA and the near-term fractal support (USD 27,536—USD 27,250), as it would warn that we could be entering a corrective phase. A cautious bull, from a technical perspective, the futures were not considered as buy at those levels.
- The futures continued to sell lower with price now below the 8-21 period EMA's with the RSI near-neutral at 49, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 28,841 with the RSI at or above 56 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 21,002 will support a longer-term bull argument, below this level the Elliott wave cycle will have a neutral bias.
- Technically bullish, the futures are now at an infection point. We are testing the trend support line (USD 27,832), whilst we have the 55-peirod EMA at USD 27,625, and fractal support at USD 27,250. For downisde continuation, we need to close and hold below the support line and average, with price breaching the fractal support. If we do, it will weaken the technical, warning a corrective phase could be upon us. Whilst above this tight support zone, resistance remans vulnerable. Is it a technical buy? No, as we have divergences at and above USD 2,9500, meaning we are neutral at this point. On the longer-term Elliott wave cycle, downisde moves are considered as counter-trend.

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