

FIS Capesize Intraday

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

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 (58)
- Stochastic is below 50
- Price is above the daily pivot level (USD 28,366)
- Technically bullish on Friday, the futures were holding trend support whilst we had the 55-period MA at USD 27,656 and fractal support at USD 27,250. As highlighted previously, for downside continuation, we needed to see a close below trend support and the EMA, with the USD 27,250 support being breached. Whilst above the support zone highlighted, resistance levels were vulnerable. However, we continue to be cautious on upside breakouts above USD 29,500 due to the divergences in play, as momentum suggested that we could struggle to hold. On the longer-term Elliott wave cycle, downside moves were still considered as countertrend.
- The futures have held the trend support line (USD 28,366), resulting in a move higher, we are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 28,366 with the RSI at or below 51.5 will mean price and momentum are aligned to the sell side. 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, having held trend support, the USD 29,500 fractal high is coming under pressure. If broken, the futures will be in divergence with the RSI, implying caution on moves above this level, as it warns we could see a momentum slowdown. A close below the trend support line (USD 28,177) will warn that buyside pressure is decreasing, whilst a move below the 55-period EMA (USD 27,764) and the USD 27,250 fractal support, will signal sell side pressure is increasing. With trend support holding, the USD 29,500 resistance looks like it could be tested and broken; However, remain cautious on upside moves above USD 29,500 due to the divergences coming into play.

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