

# FIS Capesize Intraday

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## Capesize Oct 25 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	29,500	R1	30,796	RSI above 50 Stochastic overbought
S2	28,687	R2	32,300	
S3	27,250	R3	34,196	

### Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (64)
- Stochastic is overbought
- Price is above the daily pivot level (USD 29,516)
- Technically bullish yesterday, we noted in the close report previously that the rising trend line alongside the USD 29,500 resistance meant that we had an ascending triangle pattern in play. Whilst in the pattern, price action was considered as neutral; however, the triangle did have bullish connotations. We noted that technically, this pattern was more reliable at the beginning of a trend, as we had moved in the region of USD 22,000 higher (300%) since Jan, meaning this had the potential to act as a reversal pattern. With the divergences now in play due to the futures trading higher on the open, we maintained a cautious view on upside breakouts. Market bulls would need to be cautious on a close that held below the trend support line (USD 28,515), as it would warn that sell side pressure is increasing. Longer-term Elliott wave analysis continued to suggest that downside moves look to be countertrend.
- Having traded up to USD 29,750 on the open, before seeing bids fade, post index the futures traded back to their highs, resulting in the futures closing above the USD 29,500 resistance; this now has the potential to act as a support. We are higher again this morning with price 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 29,516 with the RSI at or below 54 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 21,306 will support a longer-term bull argument, below this level the Elliott wave cycle will have a neutral bias.
- Technically bullish, the MA on the RSI implies that momentum is supported. The futures are approaching the linear regression line (USD 30,583); a close that holds above this level will warn that the USD 32,300 resistance could come under pressure. Conversely, a rejection of this level will warn that the USD 29,500 support could be tested. This will be a key level going forward; if we hold, it will become a polarity support, warning we could still move higher. We are still in divergence from the 14th and 26th of August, we also have a longer-term divergence dating back to the 17th July. The divergences warn that buyside momentum could slow. We may move higher from here, but from a technical perspective, due to the divergences in play, we must have a cautious view.

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