

FIS Capesize Intraday

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Capesize Nov 25 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	26,285	R1	27,750	27,375	RSI above 50	
S2	25,525	R2	28,870			
S3	25,250	R3	29,752			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (52)
- Stochastic is below 50
- Price is below the daily pivot level (25,525)
- Technically bearish with upside moves considered as countertrend based on our Elliott wave analysis yesterday. Price was back below the 200-period MA, we noted that if we held below it, market sellers would target the USD 24,125 fractal low. Conversely, a close back above it would warn that there was an underlying support in the market, making USD 28,870 the key resistance to follow. Above this level the probability of the futures trading to a new low would start to decrease. We continued to be cautious on upside moves at this point.
- The futures remained below the 200-period MA yesterday (USD 26,285); however, price has seen a strong move higher this morning on the news that 'China to Slap Port Fees on American Vessels in Retaliatory Move' (Bloomberg). 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 25,525 with the RSI at or below 41.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 28,870 will leave the futures vulnerable to further tests to the downside, above this level the probability of price trading to a new high will start to decrease. Key longer-term support is at USD 21,597 (Elliott wave)
- Technically bearish, the MA on the RSI implies that momentum is supported. We had been looking for one more wave to the downside within this corrective phase (the longer-term Elliott wave cycle remains bullish above USD 21,597). However, the retaliatory move by China this morning will bring the corrective phase into question. If we trade above the USD 28,870 resistance it will warn that we could be entering the higher timeframe bullish impulse wave 5. Not really technical today, the RSI high above resistance is warning that the USD 28,870 level could come under pressure.

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