

FIS Capesize Intraday

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

Capesize Nov 25 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	28,370	R1	31,250	30,000	RSI above 50	Stochastic overbought
S2	27,775	R2	33,197			
S3	26,967	R3	36,000			

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 (26,933)
- Technically bearish on Friday, the MA on the RSI implied that momentum is supported. We noted that we had been looking for one more wave to the downside within the corrective phase (the longer-term Elliott wave cycle remained bullish above USD 21,597). However, the retaliatory move by China had brought the corrective phase into question. If we traded above the USD 28,870 resistance, it will warn that we could be entering the higher timeframe bullish impulse wave 5. The market was not really technical on Friday, the RSI high above resistance warned that the USD 28,870 level could come under pressure.
- The futures moved higher on Friday before seeing a big gap up on the open this morning, putting price above the USD 28,870 resistance. 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 26,933 with the RSI at or below 46 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 26,967 will support a bull argument, below this level the technical will be back in bearish territory.
- Technically bullish based on price due to the move above the USD 29,825 fractal resistance. The MA on the RSI implies momentum is supported, whilst the move above USD 28,870 suggests that we have entered the higher timeframe bullish Elliott wave 5; this also warns that the probability of price trading to a new low has decreased. The RSI is making new highs alongside price, suggesting downside moves should be considered as countertrend, making USD 26,697 the key support top follow in the near-term. Upside moves above USD 31,250 will officially confirm that we are on the higher timeframe Elliott wave 5. Once confirmed, our Fibonacci projection levels will give us a potential upside target as high as USD 38,802 for this phase of the cycle.

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