FIS

Capesize Intraday

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Capesize Nov 25 Morning Technical Comment – 240 Min

Support		Resistance		Current Price	Bull	Bear
S1	28,116	R1	29,351	28,750	RSI above 50	
S2	26,787	R2	29,962			
S3	25,250	R3	31.250			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (55)
- Stochastic is below 50
- Price is above the daily pivot level (28,116)
- Technically bearish yesterday with price holding above the 55-period EMA. We noted that it was still unclear whether this was a failed bullish wave 5, or if we were still in a large corrective phase, with the downside move post close on Monday being reactionary. Based on the technical then, the deep pullback and island reversal pattern meant that we were cautious on upside moves whilst below USD 29,351. Above this level would suggest that the bullish wave 5 will come back into play.
- Having held the 55-period EMA the futures continue to see bid support. We are above all key moving averages supported by the RSI above 50, intraday price and momentum continue to conflict.
- A close on the 4-hour candle above USD 28,116 with the RSI at or 57 will mean price and momentum are aligned to the buyside; likewise, a close below this level with the RSI at or below 52.5 will mean it is aligned to the sell side. Upside moves that fail at or below USD 29,351 will leave the futures vulnerable to further tests to the downside, above this level the technical has a neutral bias.
- Technically bearish, the MA on the RSI implies that momentum is supported. It is still unclear whether this is a failed bullish wave 5, or if the move lower was just reactionary to the headline on Monday. Based the deep pullback and island reversal pattern we continue to cautious on upside moves this morning whilst below USD 29,351. Above this level will suggest that the bullish wave 5 could be back in play. We remain supported with price USD 250 higher at USD 28,750, the MA on the RSI also implies that momentum is supported with the futures above all key moving averages; however, the RSI is failing to move away from its average, its supported, but not bullish, as price and momentum continue to conflict. We are trading into the bearish gap, if we trade above USD 29,351, then the probability of price trading to a new low will start to decrease, whilst above USD 29,425 the gap will be closed, suggesting we are in a bullish Elliott wave 5. Price action warns that the USD 29,351 is vulnerable; however, whilst in resistance window, technically our view must be neutral.

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