

# FIS Capesize Intraday

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## Capesize Jan 26 Morning Technical Comment – 240 Min



Source Bloomberg

### Synopsis - Intraday

- Price is below the 8—21 period EMA's
- RSI is below 50 (45)
- Stochastic is oversold
- Price is below the daily pivot level (21,491)
- Technically bullish, the MA on the RSI implies that momentum was supported yesterday; countering this, the RSI was starting to cross the average, warning momentum could be starting to weaken. The futures were trading back on the trend line highlighted yesterday (USD 32,764), meaning we remained at an inflection point. A close that held below the support line would indicate sell side pressure was increasing; conversely, if we held above it with price and momentum becoming aligned to the buy side, then resistance levels would remain vulnerable. Intraday Elliott wave analysis continued to suggest that downside moves should be considered as countertrend at this point. However, we were seeing early signs of upside rejection, warning the trend support line could be tested and broken.
- The futures remain on the trend line, meaning we are still at an inflection point. We are rolling to Jan 26 as the Dec will soon be about Math, we will continue to look at the outright contract. Price is below the 8-21 period EMA's supported by the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 21,491 with the RSI at or above 62 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 22,317 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish based on price due to the move below the USD 21,650 fractal support, the futures are now trading in the Fibonacci support zone. However, the longer-term Elliott wave cycle remains bullish above USD 19,858, below this level the probability of the cycle trading to a new high will start to decrease. The MA on the RSI implies that momentum is weak at this point, meaning we do have a note of caution on upside moves in the very near-term, as they could struggle to hold; this also fits our pattern analysis, as we have only one corrective wave lower at this point. If we fail at or below the USD 22,317 it will suggest that we are looking at a 3-wave corrective pattern on the 4-hour timeframe; conversely, above USD 22,317, market buyers will target the USD 23,125 high. Although bullish, we remain in a corrective phase.

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