

FIS Capesize Intraday

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Capesize April 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	28,352	R1	30,237	28,500		RSI below 50
S2	27,417	R2	31,592			
S3	25,830	R3	31,683			

Source Bloomberg

Synopsis - Intraday

- Price is below the 8–21 period EMA's
- RSI is below 50 (35)
- Stochastic is above 50
- Price is below the daily pivot level (31,683)
- Intraday Technical Outlook Wednesday: Weakening momentum
- We noted yesterday that the failure to trade to a new high due to the negative divergence had resulted in a failed swing high on the RSI (14-period, highlighted by blue line), warning of momentum weakness. With the divergence in play we were cautious on upside moves, while the weakening momentum warned that the USD 28,352 support could come under pressure. Throwbacks that held at or above this level will indicate there is further upside within this phase of the cycle; conversely, if broken it will further weaken the technical. Key longer-term support was at USD 20,992, corrections that hold at or above this level will imply there could be a larger, bullish Elliot wave cycle in play.
- The futures have sold lower on the weakening momentum highlighted yesterday, with the USD 28,352 support coming under pressure. We are 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 31,683 with the RSI at or above 64.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 28,352 would support a near-term bull argument, below this level the technical will have a neutral bias.
- Intraday Technical Outlook: Testing key support
- The downside move on the weakening momentum means that we are testing the USD 28,352 support; if broken, then the probability of the futures trading to a new high within this phase of the cycle will start to decrease. However, corrections that hold at or above this level will imply there could be a larger, bullish Elliot wave cycle in play. If we trade below USD 28,152 it will weaken the technical further, while above this level we will remain vulnerable to a technical bounce, due to a potential positive reversal pattern; however, corrections work in threes, suggesting upside moves could struggle to hold in the near-term

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