FIS Capesize Intraday

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Capesize Aug 26 Morning Technical Comment – 240 Min

Support		Resistance		Current Price	Bull	Bear
S1	34,566	R1	35,872	35,600	RSI above 50	
S2	33,373	R2	36,525			
S3	32,216	R3	38,415			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (68)
- Stochastic is above 50
- Price is above the daily pivot level (35,041)
- Intraday Technical Outlook Previously: Bullish throwback
- We noted yesterday that the downside fakeout warned of underlying support in the market. Our Elliott wave analysis continued to suggest that downside moves look like they should be considered as countertrend, providing throwbacks held above the USD 29,645 level. A close above the channel resistance line at USD 35,525 would signal an increase in buyside pressure, warning the USD 35,750 and USD 36,525 resistance levels could be tested and broken. We continued to identify USD 36,525 as the key longer-term resistance, as a rejection at or below this level would signal a more complex corrective phase.
- The futures have traded above the USD 35,750 fractal high. 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 35,041 with the RSI at or below 61.5 would mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 36,525 would warn that there could be a larger corrective phase coming into play.
- Intraday Technical Outlook: Cautious bull
- The upside move on the open to a new high means that price and the RSI are divergence. Not a sell signal, the divergence warns that we could see a momentum slowdown; however, we needs to see bearish price action to confirm it is being respected. We have tested but failed to break the upper channel resistance at USD 35,872, this has resulted in a small move lower. A close and hold below the channel support line at USD 35,147 will warn that buy-side pressure is weakening, while a close below the daily bull candle from yesterday at USD 34,325 would suggest that sell-side pressure is increasing. With price in divergence, we have a cautious approach to higher moves today.