FIS

Capesize Intraday

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Capesize Aug 26 Morning Technical Comment – 240 Min

Support		Resistance		Current Price	Bull	Bear
S1	33,875	R1	35,125	34,125	RSI above 50	
S2	33,529	R2	35,875			
S3	32,216	R3	36,525			

Synopsis - Intraday

Source Bloomberg

- Price is between the 8—21 period EMA's
- RSI is above 50 (51)
- Stochastic is above 50
- Price is below the daily pivot level (35,125)
- Intraday Technical Outlook Previously: Cautious bull
- The upside move on the open to a new high yesterday meant that price and the RSI were divergent. Not a sell signal, the divergence warned that we could see a momentum slowdown; however, we needed to see bearish price action to confirm it was being respected. We had tested but failed to break the upper channel resistance at USD 35,872, this had resulted in a small move lower. A close and hold below the channel support line at USD 35,147 would warn that buy-side pressure was weakening, while a close below the daily bull candle from yesterday at USD 34,325 would suggest that sell-side pressure was increasing. With price in divergence, we had a cautious approach to higher moves.
- The futures are selling lower on the negative divergence with the RSI. Price is between the 8-21 period EMA's with the RSI near neutral at 51, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above 35,125 with the RSI at or above 65.5 would mean price and momentum are aligned to the buyside. 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: Sell side pressure increasing
- The move lower on the RSI divergence warns that the futures could be in the process of rejecting the USD 36,525 resistance. Pullbacks below the USD 33,875 fractal support would weaken the technical further, warning the 200-period MA at USD 33,529, and the Fibonacci support zone could come under pressure. Throwbacks that hold at or above USD 29,645 would suggest that there could be a larger, bullish Elliott wave cycle coming into play. We are seeing a weakening in price, but are yet to see a close below the low of the last dominant bull candle at USD 34,325; if we do, then it would suggest that sell side pressure on the higher timeframe is weakening. Conversely, caution is warranted if we fail to produce a daily close below the USD 34,325 level, as it would imply higher timeframe buyers remain active.