FIS Capesize Intraday

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Capesize Sep 26 Morning Technical Comment – 240 Min

Support		Resistance		Current Price	Bull	Bear
S1	39,750	R1	41,625	40,000	RSI above 50	Stochastic overbought
S2	36,850	R2	42,722			
S3	34,997	R3	45,038			

Source Bloomberg

Synopsis - Intraday

- Price is above the 8—21 period EMA's
- RSI is above 50 (69)
- Stochastic is above overbought
- Price is above the daily pivot level (39,750)
- Intraday Technical Outlook Previously: Neutral
- We noted previously that price was trading above the 200-period MA and testing the resistance zone. We remained below the USD 34,175 level, and were yet to see if we were going to hold above the 200-period MA at USD 33,551. For upside continuation, we needed to breach the USD 34,175 level and hold above the longer-term average. Conversely, failure to hold above the average would leave support levels vulnerable. Price was at an infection point, meaning we are neutral today.
- The futures traded above the USD 34,175 resistance, this was followed by a bullish gap higher on the roll into September. 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 39,750 with the RSI at or below 58.5 would mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 31,175 will support a bull argument, below this level the probability of price trading to a new high will begin to decrease.
- Intraday Technical Outlook: resistance vulnerable
- Although the wave 4 overlapped the wave 1 we have seen bullish price action. The move above the USD 34,175 signalled that buyside pressure was on the increase, warning that the USD 41,625 fractal high is vulnerable. Fibonacci projection levels based off the higher timeframe Elliott wave cycle suggest we have a potential upside target at USD 42,722; however, the lower timeframe cycle implies we could trade as high as USD 45,038. Downside moves are considered as countertrend at this point.

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