FIS Capesize Intraday

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Capesize Sep 26 Morning Technical Comment – 240 Min

Support		Resistance		Current Price	Bull	Bear
S1	39,250	R1	40,250	39,475	RSI above 50	
S2	36,850	R2	41,625			
S3	36,616	R3	42,722			

Synopsis - Intraday

Source Bloomberg

- Price is between the 8—21 period EMA's
- RSI is above 50 (60)
- Stochastic is above 50
- Price is above the daily pivot level (39,250)
- Intraday Technical Outlook Previously: Downside moves considered as countertrend.
- The futures were seeing light selling pressure yesterday due to a negative RSI divergence. However, the 5-wave pattern higher that started on the 17/07 suggested that we were looking at a bullish wave 3 extension, indicating downside moves should be considered as countertrend. Throw-backs that trade below the USD 36,850 fractal low would signal completion of the extended wave 3, confirming price has entered a corrective wave 4. Potential for momentum weakness due to the divergence within a broader bullish trend.
- The futures sold to a low of USD 38,850 before seeing light bid support into the close. Price is above the 8-21 period EMA's supported by the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above 39,650 with the RSI at or above 65.5 would mean price and momentum are aligned to the buyside; likewise, a close below this level would mean it is aligned to the sell side. Downside moves that hold at or above USD 33,971 will support a bull argument, below this level the technical will have a neutral bias.
- Intraday Technical Outlook: Downside moves considered as countertrend.
- Unchanged on the technical this morning. The futures have traded down to but held the 21 period EMA at USD 38,891 on the RSI divergence; however, as highlighted previously, due to the bullish Elliott wave extension, our analysis continues to suggest that downside moves should be considered as countertrend.