FIS

Capesize Intraday

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Capesize Sep 26 Morning Technical Comment – 240 Min

Support		Resistance		Current Price	Bull	Bear
S1	39,541	R1	40,250	39,975	RSI above 50	
S2	36,850	R2	41,625			
S3	36,616	R3	42,722			

Source Bloomberg

Synopsis - Intraday

- Price is above the 8—21 period EMA's
- RSI is above 50 (64)
- Stochastic is above 50
- Price is above the daily pivot level (39,541)
- Intraday Technical Outlook Previously: Downside moves considered as countertrend.
- Unchanged on the technical yesterday. The futures had 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.
- The futures remain supported with price trading above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below 39,541 with the RSI at or below 61 would mean price and momentum are 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.
- Due to the bullish Elliott wave extension we maintain our view that downside moves should be considered as countertrend. Fibonacci projection levels suggest that we have a potential near-term upside target at USD 42,722; however, we are starting to have a cautious approach, as above USD 40,250 the futures will produce a second RSI divergence. This is a condition, not a sell signal, we would need to bearish price confirmation to signal that the divergence was being respected. If the RSI moves above the high that formed on the 21/08, then the bullish momentum confirmation will bring the USD 42,772 level into focus.