FIS Capesize Intraday

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Capesize Sep 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	42,390	R1	44,083	43,000	RSI above 50	Stochastic overbought
S2	40,745	R2	45,000			
S3	38,734	R3	45,450			

Source Bloomberg

Synopsis - Intraday

- Price is above the 8—21 period EMA's
- RSI is above 50 (61)
- Stochastic is overbought
- Price is above the daily pivot level (44,083)
- Intraday Technical Outlook Previously: Supported
- We noted yesterday that we were marking the lower timeframe Elliott wave cycle as being on a wave 5, while the higher timeframe wave cycle implied downside moves should be considered as countertrend. However, the wave 4 pullback on the lower cycle was very shallow, while the RSI had made new highs; the light pullback and bullish momentum confirmation did warn that we could still be in the wave 3 on the lower timeframe, the RSI implied that this was the case. Although we had marked the cycle as iv, v, we continued to be cautious on intraday throwbacks due to the bullish momentum confirmation. USD 45,000 was the 200% projected move of the wave 1, USD 45,450 was a potential resistance based on Fibonacci projection levels.
- The futures have seen an intraday pullback. We are between the 8-21 period EMA's with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above 44,083 with the RSI at or above 77.5 would mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 39,502 will support a bull argument, below this level will warn that the futures are entering a higher timeframe corrective phase.
- Intraday Technical Outlook: Positive reversal pattern in play
- USD 42,050 is a key level on the technical. We had questions on the wave count yesterday as it lacked clarity, we had marked the lower timeframe cycle as a 5, but noted it could still be a 3. Due to the RSI making a new low, while price has held above the USD 42,050 fractal support, we now have a positive reversal pattern in play, this warns that resistance levels are still vulnerable. However, if we trade below USD 40,250, the reversal pattern will fail, this would also warn that the lower timeframe cycle was corrective. The broader trend (wave cycle) remains bullish, below USD 40,745 would suggest price is in the early stages of a higher timeframe corrective phase.

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