FIS Capesize Intraday

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Capesize Oct 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	43,191	R1	48,533	45,700	RSI above 50	Stochastic overbought
S2	43,085	R2	49,625			
S3	41,128	R3	50,716			

Source Bloomberg

Synopsis - Intraday

- Price is above the 8—21 period EMA's
- RSI is above 50 (74)
- Stochastic is overbought
- Price is above the daily pivot level (43,191)
- Intraday Technical Outlook Previously: Positive reversal pattern in play
- We noted yesterday that USD 42,050 was a key level on the technical. We had questions on the wave count previously 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 had a positive reversal pattern in play, this warned that resistance levels were still vulnerable. However, if we traded below USD 40,250, the reversal pattern would fail, this would also warn that the lower timeframe cycle was corrective. The broader trend (wave cycle) remained bullish, moves below USD 40,745 would suggest price is in the early stages of a higher timeframe corrective phase.
- The Sep futures found light bid support into the close yesterday, resulting in price gapping USD 1,000 higher on the open due to the reversal pattern. Price has rolled into the October contract, increasing the size of the bullish gap. 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 43,191 with the RSI at or below 70.5 would mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 41,128 would support a bull argument, below this level will warn that the futures are entering a higher timeframe corrective phase.
- Intraday Technical Outlook: Downsides moves considered as countertrend.
- The gap higher in the Sep contract has answered the question regarding where we were on the wave cycle. Price is on an extended wave 3, meaning downside moves are considered as countertrend on the lower and higher wave cycles. With price moving higher on the positive reversal pattern it has resulted in a negative RSI divergence, warning buyside momentum could slowdown, this will need to be monitored.

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