FIS Capesize Intraday

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Capesize Oct 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	43,379	R1	48,533	46,250	RSI above 50	Stochastic overbought
S2	43,191	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 (76)
- Stochastic is overbought
- Price is above the daily pivot level (43,191)
- Intraday Technical Outlook Previously: Downsides moves considered as countertrend.
- We noted last week that the gap higher in the Sep contract had answered the question regarding where we were on the wave cycle. Price was on an extended wave 3, meaning downside moves were considered as countertrend on the lower and higher wave cycles. With price moving higher on the positive reversal pattern it had resulted in a negative RSI divergence, warning buyside momentum could slowdown, this needed to be monitored.
- The futures remain supported having traded at a high of USD 46,25. We remain 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 41,289 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
- Although the futures have traded at a new high the RSI remains divergent with price. This is a condition that warns we could see a momentum slowdown, it is not a sell signal but does need to be monitored. The bullish Elliott wave extension continues to suggest that throwbacks should be considered as countertrend, providing we hold above the USD 41,289 Fibonacci support; below this level would suggest that price has entered a higher timeframe corrective phase.

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