FIS Capesize Intraday

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Capesize Oct 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	45,603	R1	49,000	48,625	RSI above 50	Stochastic overbought
S2	42,513	R2	51,103			
S3	38,734	R3	53,021			

Source Bloomberg

Synopsis - Intraday

- Price is above the 8—21 period EMA's
- RSI is above 50 (72)
- Stochastic is overbought
- Price is below the daily pivot level (49,000)
- Intraday Technical Outlook Previously: Downsides moves considered as countertrend
- We noted yesterday that the strength of this move suggested that we were on multiple Elliott wave 3's, implying downside moves were considered as countertrend on the lower, medium, and longer-term timeframes. There was a minor RSI divergence; however, this was offset by the RSI holding above 70, signaling a tending environment. The ADX at 45 also supports a strong trending environment, meaning the technical and the wave cycle both suggested downside moves should be considered as corrective, not bearish. If we saw an intraday 4-hour close below the low of the last dominant bull candle at USD 48,000, it would signal sell side pressure is increasing, indicating we are entering a corrective pullback.
- Bids have faded but the futures remain supported. We are above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the buyside, as the previous candle close was above the daily pivot level.
- A close on the 4-hour candle below 49,000 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 42,513 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
- Unchanged on the technical this morning, the futures have seen a light pullback; however, we are yet to see a 4-hour close below the low of the last dominant bull candle at USD 48,000. If we do, it will signal price is entering a corrective phase. Based on our Elliott wave analysis, bullish momentum confirmation, and the ADX signaling a strong trending environment, we maintain our few that downside moves should be considered as corrective, rather than bearish.

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