FIS Capesize Intraday

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Capesize Oct 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	48,925	R1	51,103	49,500	RSI above 50	Stochastic overbought
S2	45,603	R2	53,021			
S3	42,513	R3	56,125			

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 (48,925)
- Intraday Technical Outlook Previously: Downsides moves considered as countertrend
- Unchanged on the technical yesterday, the futures had seen a light pullback; however, we were yet to see a 4-hour close below the low of the last dominant bull candle at USD 48,000. If we did, it would signal price was entering a corrective phase. Based on our Elliott wave analysis, bullish momentum confirmation, and the ADX signaling a strong trending environment, we maintained our view that downside moves should be considered as corrective, rather than bearish.
- Having sold at a low of USD 48,375 yesterday price has opened supported this morning. We are above all key moving averages with the RSI above 50, intraday price and momentum are conflicting as the RSI was below its MA on the previous candle close.
- A close on the 4-hour candle above 18,925 with the RSI at or above 76.5 would mean price and momentum are aligned to the buyside side. Likewise, a close below this level with the RSI at or below 72 would mean it is 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
- The futures remain supported with our Elliott wave analysis indicating downside moves should be considered as countertrend, the ADX at 49.5 signals a strong trending environment. Bid support on the open is warning that the USD 49,875 fractal high could be tested an broken. If it is, then the RSI is likely to be divergent with price. The divergence is a warning that buy-side momentum could slow down, it is not a sell signal, it will need bearish price confirmation that it is being respected. Due to the potential divergence, the technical does warrant caution on upside breakouts in the near-term.

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