FIS Capesize Intraday

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Capesize Oct 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	48,375	R1	50,016	49,375	RSI above 50	Stochastic overbought
S2	45,959	R2	51,103			
S3	42,709	R3	53,021			

Source Bloomberg

Synopsis - Intraday

- Price is above the 8—21 period EMA's
- RSI is above 50 (66)
- Stochastic is overbought
- Price is below the daily pivot level (50,016)
- Intraday Technical Outlook Previously: Downsides moves considered as countertrend
- The futures remained supported on Friday with our Elliott wave analysis indicating downside moves should be considered as countertrend, the ADX at 49.5 signaled a strong trending environment. Bid support on the open warned that the USD 49,875 fractal high could be tested an broken. If it is, then the RSI would likely to be divergent with price. We noted that the divergence was a warning that buy-side momentum could slow down, it was not a sell signal, it would need bearish price confirmation that it was being respected. Due to the potential divergence, the technical does warrant caution on upside breakouts in the near-term.
- The futures traded at a high of USD 50,425 before seeing bids fade on the divergence highlighted. We remain above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above 50,016 with the RSI at or above 76.5 would mean price and momentum are aligned to the buyside. Likewise. Downside moves that hold at or above USD 42,709 would support a bull argument, below this level would warn that the futures are entering a higher timeframe corrective phase.
- Intraday Technical Outlook: Caution on upside moves
- The futures have seen a small intraday throwback on the RSI divergence; we also note that the RSI has produced a failed swing high, this implies a cautious approach to higher moves is warranted in the near-term. Downside moves below the USD 48,375 fractal support would signal that sell side pressure is increasing, warning support levels could be tested. As highlighted previously, our Elliott wave analysis implies downside moves should be considered as countertrend, while the ADX at 50 signals that the we remain in a strong trending environment at this point.

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