FIS Capesize Intraday

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Capesize Oct 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	49,333	R1	51,103	50,800	RSI above 50	Stochastic overbought
S2	46,190	R2	53,021			
S3	44,767	R3	56,125			

Source Bloomberg

Synopsis - Intraday

- Price is above the 8—21 period EMA's
- RSI is above 50 (72)
- Stochastic is overbought
- Price is above the daily pivot level (49,433)
- Intraday Technical Outlook Previously: Caution on upside moves
- We noted yesterday that the futures had seen a small intraday throwback on the RSI divergence; we also noted that the RSI has produced a failed swing high, this implies a cautious approach to higher moves was 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 implied that downside moves should be considered as countertrend, while the ADX at 50 signaled that the we remained in a strong trending environment at this point.
- The futures failed to trade below the USD 48,375 fractal support yesterday, resulting in price trading at new highs this morning. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above 49,433 with the RSI at or above 76 would mean price and momentum are aligned to the buyside; likewise, a close below this level will mean it is aligned ot the sell side. Downside moves that hold at or above USD 42,836 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
- Having held fractal support the futures have traded at new highs, signaling a lower timeframe wave extension; however, due to the failed swing high the upside move has created a second RSI negative divergence, meaning we remain cautious of higher moves at these levels. Near—term support is now at USD 48,875, meaning downside moves that trade below this level would indicate sell side pressure is increasing, signaling the divergence is being respected. We maintain our view based on Elliott wave analysis that downside moves should be considered as countertrend on multiple degrees of the Elliott wave cycle.

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