FIS Capesize Intraday

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Capesize Oct 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	50,425	R1	51,103	50,650	RSI above 50	Stochastic overbought
S2	48,875	R2	53,021			
S3	48,375	R3	56,125			

Source Bloomberg

Synopsis - Intraday

- Price is above the 8—21 period EMA's
- RSI is above 50 (70)
- Stochastic is overbought
- Price is above the daily pivot level (50,425)
- Intraday Technical Outlook Previously: Caution on upside moves
- Having held fractal support yesterday the futures had traded at new highs, signaling a lower timeframe wave extension; however, due to the failed swing high on the RSI, the upside move had created a second RSI negative divergence, meaning we remained cautious of higher moves at these levels. Near—term support was at USD 48,875, meaning downside moves that traded below this level would indicate sell side pressure was increasing, signaling the divergence was being respected. We maintained our view based on Elliott wave analysis that downside moves should be considered as countertrend on multiple degrees of the Elliott wave cycle.
- The futures traded at a high of USD 51,375 before seeing a small pullback; however, price remains supported at this point. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are conflicting, as the RSI is below its MA.
- A close on the 4-hour candle above 50,425 with the RSI at or above 74 would mean price and momentum are aligned to the buyside; likewise, a close below this level would mean it is aligned to the sell side. Downside moves that hold at or above USD 43,032 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
- Upside movement is slowing on the negative RSI divergence; however, the futures will need to trade below the USD 48,875 to confirm that the divergence is being respected, as this will signal an increase in sell side pressure. As highlighted previously, our Elliott wave analysis continues to suggest that downside moves should be considered as countertrend, making USD 43,032 the key near-term support to follow. Due to the divergence in play, we the technical continues to warrant caution on upside moves at these levels.

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