FIS Capesize Intraday

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Capesize Oct 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	46,546	R1	50,100	48,750		
S2	45,054	R2	50,806			
S3	43,032	R3	52,694			

Source Bloomberg

Synopsis - Intraday

- Price is below the 8—21 period EMA's
- RSI is at 50 (50)
- Stochastic is below 50
- Price is above the daily pivot level (50,100)
- Intraday Technical Outlook Previously: Caution on upside moves
- We noted yesterday that upside movement was slowing on the negative RSI divergence; however, the futures needed to trade below USD 48,875 to confirm that the divergence was being respected, as this would signal an increase in sell side pressure. As highlighted previously, our Elliott wave analysis continued 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, the technical continued to warrant caution on upside moves at those levels.
- The futures are selling lower on the negative RSI divergence. We are below the 8-21 period EMA's with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above 50,100 with the RSI at or above 65 would mean price and momentum are aligned to the buyside. 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: Sell-side pressure increasing
- The move below the USD 48,875 fractal support indicates that the divergence is being respected, signaling an increase in sell side pressure. Elliott wave analysis continues to suggest that downside moves should be considered as countertrend, making USD 43,032 the key support to follow. Throwbacks below this level would suggest we are entering a higher timeframe corrective phase; conversely, downside moves that hold above this level would support a near-term buyers argument. The RSI is now testing the 50 level, market sellers should act with caution if the RSI starts to hold above 40, as it will warn of momentum support. Sell side pressure is increasing, our wave analysis warns this move should be considered as corrective and not bearish

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