FIS Capesize Intraday

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Capesize Oct 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	45,054	R1	47,108	45,650	RSI below 50	Stochastic oversold
S2	43,032	R2	49,749			
S3	41,439	R3	51,103			

Source Bloomberg

Synopsis - Intraday

- Price is below the 8—21 period EMA's
- RSI is at 50 (34)
- Stochastic is oversold
- Price is above the daily pivot level (47,108)
- Intraday Technical Outlook Previously: Corrective
- The futures remained in a corrective phase yesterday with the RSI below 50. The ADX was moving lower, but at 31 signaled we remain in a trending environment; however, the DMI was showing a bearish cross. Market buyers should be cautious if the ADX started to move higher while price remained corrective, as it would signal an increase in sell side pressure, warning the Fibonacci support zone could be tested. Our Elliott wave analysis did suggest that this is a bullish throwback, rather than a bearish move. If we trade below the USD 43,032 support, it would warn that we could be entering a higher timeframe corrective phase.
- The futures remain in a corrective phase with price below the 8-21 period EMA;s, the RSI is below 50 while price and momentum are aligned to the sell side.
- A close on the 4-hour candle above 47,108 with the RSI at or above 51 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 futures remain in a corrective phase with our Elliott Wave suggesting that downside moves should be considered as countertrend, providing the USD 43,032 is not breached. Throwbacks below USD 43,032 would suggest we are entering a higher timeframe corrective phase, reducing the probability of the futures trading at new highs. However, we are seeing warning signs that sell side pressure is increasing, the RSI has breached the 40 level warning of momentum weakness. We also note that the ADX is turning higher, while we remain in a trending environment. This also signals that sell side pressure is increasing, as the DMI is showing a bearish cross. Market sellers should act with caution if the RSI reclaims and holds above the 40 level, as it will signal momentum support is entering the market.

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