FIS Capesize Intraday

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Capesize Oct 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	46,541	R1	49,420	47,175	RSI below 50	Stochastic oversold
S2	45,054	R2	51,103			
S3	43,032	R3	53,021			

Source Bloomberg

Synopsis - Intraday

- Price is between the 8—21 period EMA's
- RSI is below 50 (46)
- Stochastic is oversold
- Price is above the daily pivot level (46,541)
- Intraday Technical Outlook Previously: Sell-side pressure increasing
- The futures remained in a corrective phase yesterday with our Elliott Wave suggesting that downside moves should be considered as counter-trend, providing USD 43,032 was 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 were seeing warning signs that sell side pressure was increasing, as the RSI had breached the 40 level warning of momentum weakness. We also noted that the ADX was turning higher, while we remained in a trending environment. This also signaled that sell side pressure was increasing, as the DMI was showing a bearish cross. Market sellers should act with caution if the RSI reclaims and held above the 40 level, as it would signal momentum support is entering the market.
- The futures have seen light bid support with price now trading within the 8-21 period EMA's, the RSI remains below 50 while price and momentum are conflicting.
- A close on the 4-hour candle above 46,541 with the RSI at or above 48 would mean price and momentum are aligned to the buyside. Likewise, a close below this level with the RSI at or below 43.5 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: corrective
- The futures remain in a corrective phase with price seeing light bid support in the Fibonacci support zone. The RSI has now reclaimed the 40 level but price and momentum are conflicting. If the RSI holds above the 40 level it will signal underlying support is entering the market. Likewise, the light bid support has resulted in the ADX moving lower, at 27 we still remain in a trending environment; however, if the ADX starts to move below the 25 level it will implying a weakening in the recent bull trend. Elliott wave analysis does suggest that downisde moves should be considered as countertrend; if we do trade below the USD 43,032 support, it would imply we have entered a higher timeframe corrective phase. Key near-term resistance is at USD 49,420, above this level would signal buyside pressure is increasing.

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