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	47,208	46,500	RSI below 50	Stochastic oversold
S2	43,032	R2	49,420			
S3	41,439	R3	51,103			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (42)
- Stochastic is oversold
- Price is below the daily pivot level (47,208)
- Intraday Technical Outlook Previously: corrective
- We noted yesterday that the futures remained in a corrective phase with price seeing light bid support in the Fibonacci support zone. The RSI had re-claimed the 40 level but price and momentum were conflicting. If the RSI held above the 40 level it would signal underlying support was entering the market. Likewise, the light bid support had resulted in the ADX moving lower, at 27 we still remained in a trending environment; however, if the ADX starts to move below the 25 level it would implying a weakening in the recent bull trend. Elliott wave analysis did suggest that downisde moves should be considered as countertrend; if we traded 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.
- Having traded at a high of USD 48,125 on the open yesterday the futures are now selling lower. We are below the 8-21 period EMA's with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above 47,208 with the RSI at or above 46.5 would mean price and momentum are aligned to the buyside. Likewise, a close below this level with the RSI at or below 42 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 having rejected the 21-period EMA, while the RSI is finding resistance on its average. Upside moves above USD 48,125 would create a failed swing low, signaling buyside pressure is increasing, warning the USD 49,420 resistance could be tested and broken. Above USD 49,240 price will re-enter bullish territory. The RSI is approaching 40, failure to hold above it would suggest the USD 45,500 fractal low could be broken; conversely, if the 40 level holds, market sellers should act with caution. Elliott wave analysis continues to suggest that downisde moves should be considered as countertrend at this point. The EMA and RSI/MA holding resistance do warn that support levels remain vulnerable in the near-term. However, both upside and downside moves from here need confirmation in the form of a fractal break, or a momentum move below 40.

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