FIS Capesize Intraday

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Capesize Oct 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	48,875	R1	47,208	48,875		RSI above 50
S2	45,500	R2	49,420			
S3	45,054	R3	51,103			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (58)
- Stochastic is above 50
- Price is below the daily pivot level (47,875)
- Intraday Technical Outlook Previously: corrective
- The futures remained in a corrective phase yesterday having rejected the 21-period EMA, while the RSI was finding resistance on its average. We noted that 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 would re-enter bullish territory. The RSI was approaching 40, failure to hold above it would suggest the USD 45,500 fractal low could be broken; conversely, if the 40 level held, market sellers should act with caution. Elliott wave analysis continues to suggest that downisde moves should be considered as countertrend at that point. With the EMA and RSI/MA holding resistance, it did warn that support levels remained vulnerable in the near-term. However, both upside and downside moves needed confirmation in the form of a fractal break, or a momentum move below 40.
- The RSI held 40 resulting in the futures producing a bullish fractal break. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below 47,875 with the RSI at or below 44.5 would mean price and momentum are 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: Buyside pressure increasing
- The bullish fractal break with the RSI holding above 40 signals that buyside pressure is increasing, warning the USD 49,420 fractal resistance could be tested and broken; if it is, then we target the USD 51,375 fractal high. If we reject the USD 49,420 resistance it will warn that the corrective phase has the potential to become more complex. Resistance is vulnerable, we would now like to see the RSI reclaim and hold the 60 level, if it does, then we should move to new highs.

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