FIS Capesize Intraday

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Capesize Nov 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	37,845	R1	40,788	39,700	Stochastic oversold	RSI below 50
S2	36,378	R2	42,875			
S3	35,262	R3	44,113			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (29)
- Stochastic is oversold
- Price is below the daily pivot level (40,788)
- Intraday Technical Outlook Previously: Support vulnerable
- The futures had failed to produce a bullish intraday close above the USD 43,050 on Friday, as price had rejected the daily 50-period SMA at USD 42,765, resulting in a daily rejection candle off the average. The daily candle warned that support levels could be tested; however, we need to see a 4-hour close below the low of the last dominant bull candle at USD 41,250. If we did get the bearish close, then we target the USD 41,675 fractal support. For upside continuation, we needed to see a close above the high of the daily rejection candle at USD 42,875.
- The futures have traded at a new low on the rejection candle. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above 40,788 with the RSI at or above 33.5 would mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 47,380 would suggest that support levels remain vulnerable, above this level the probability of the futures trading at a new low would begin to decrease.
- Intraday Technical Outlook: Positive divergence
- The new low means that we have a positive divergence in play, warning sell side momentum could slow down. If the divergence fails, then we target the USD 37,845 Fibonacci support. We mark 37,845 as a key support; if broken, then it would suggest we were incorrect on the lower timeframe cycle (alternative cycle is highlighted in black, and points to an extended 5th wave, not third wave). Throwbacks below USD 37,845 would suggest we are in a higher timeframe Elliott wave 4, at this point, USD 27,631 becomes the key support to follow. Upside moves that fail at or below USD 47,380 would warn that the corrective cycle has the potential to become more complex. While in divergence, caution is warranted on lower moves at these levels.

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