FIS Capesize Intraday

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Capesize Nov 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	33,199	R1	36,666	37,150	Stochastic oversold	RSI below 50
S2	32,478	R2	37,215			
S3	29,671	R3	39,446			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (22)
- Stochastic is oversold
- Price is below the daily pivot level (36,666)
- Intraday Technical Outlook Previously: Positive divergence
- We noted in the weekly report on Monday that there was a confliction in the technical. The RSI was divergent, warning sell side momentum had the potential to slow down; as noted previously, this was a warning, not a buy signal and would need confirmation from price that it was being respected. However, it did look like that we had seen a lower timeframe bearish Elliott wave extension (Sub 1-hour), this meant that intraday pullbacks could struggle to hold in the near-term, implying caution on higher moves while below the USD 40,466 resistance. Pullbacks above the USD 40,466 would suggest that the probability of the futures trading at a new low would start to decrease.
- The futures continue to sell lower, we remain 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 36,666 with the RSI at or above 35.5 would mean price and momentum are aligned to the buy-side. Upside moves that fail at or below USD 39,446 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: Caution on upside moves
- We are looking at a lower timeframe Elliott wave extension, this suggests caution is warranted on upside moves. Key near-term resistance is at USD 39,446, upside moves that fail at or below this level will leave price vulnerable to further tests to the downisde. Above this level the probability of price trading at a new low within this phase of the cycle would start to decrease. The bearish wave extension could potentially have ramifications to the broader corrective phase, as the move lower now consists of 5 waves, indicating it is bearish impulse, suggesting there could be a larger bear cycle in play. We identify USD 33,199 as an area of interest ,as it is the daily 200-period MA, meaning it could attract buyside support if tested.

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