

FIS Capesize Intraday

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Capesize May 23 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	18,450	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

- Price is below the 8—21 period EMA's
- RSI is below 50 (43)
- Stochastic is oversold
- Price is above the daily pivot USD 18,108
- Bullish with a neutral bias yesterday, the lower timeframe divergence had failed, whilst the MA on the RSI was again pointing lower, suggesting momentum is weak. The 4-hour RSI was making new lows, implying resistance levels could hold if tested in the near-term if tested. Momentum would suggest that support levels were now vulnerable; however, we should note that USD 17,400 is one of the most heavily traded levels in the last 12 months whilst USD 17,000 is over the last 30 days. If this support zone is broken, then the USD 16,125 and USD 15,013 levels could come under pressure. The support zone held yesterday with the futures trading to a low of USD 17,550, resulting in the futures moving higher this morning. Price is 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 USD 18,108 with the RSI at or above 46.5 will mean price and momentum are aligned to the buy side; likewise, a close below this level will mean it is aligned to the sell side. Upside moves that fail at or below USD 17,400 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 23,000 fractal high.
- We remain bullish with a neutral bias; the futures held the support zone yesterday, meaning we are higher this morning. However, the deep pullback remains a concern whilst the MA on the RSI continues to suggest that buy side momentum is weak. Holding support is a start, but we need to see more from the technical to convince we are turning back to the buy side, if we close above the 55-period EMA (USD 19,150) and the MA on the RSI starts to flatten, then the USD 21,147 resistance will become vulnerable. At this point we are a little cautious on the move higher; as we say in England, we need to get the ducks in row, if we do, then the technical will begin to look a little more organized.

Source Bloomberg

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