

FIS Capesize Intraday

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Capesize June 23 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	19,455	R1	20,433	Stochastic oversold	RSI below 50
S2	18,743	R2	22,019		
S3	17,550	R3	23,150		

Synopsis - Intraday

- Price is below the 8—21 period EMA's
- RSI is below 50 (46)
- Stochastic is oversold
- Price is below the daily pivot USD 20,433
- Technically bullish on the last report, the new high meant that the longer-term technical was back in divergence with the RSI, not a sell signal it did warn that we have the potential to see a momentum slowdown. However, the near-term upside move that started on the 18/04 suggested that downside moves should be considered as countertrend, making USD 19,445 the key support to follow. The MA on the RSI had also started to turn higher, implying momentum was supported. Areas of interest to follow outside of the pivot and Fibonacci support levels to be aware of; USD 20,600 is the most heavily traded area (based on price) in the last 10 days, making this an area of support, whilst USD 19,100 is the most heavily traded area in the last 30 days. The futures have entered a corrective phase on the back of the divergence with price below all key moving averages. The RSI is below 50 with intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 20,433 with the RSI at or above 57.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 19,445 will support a bull argument, below this level the technical will have a neutral bias. Likewise, upside moves that fail at or below USD 22,019 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 23,150 fractal high.
- Technically we remain in bull territory; this is becoming a difficult technical to read. We had a 5 wave move higher between late Jan and mid-April, with the downside move in late April holding in bull territory. This has been followed by the futures trading to a new high, it could be that the upside move was a countertrend wave B which has made a new high (known as truncation and unusual), meaning we are in a larger corrective phase. However, the upside moves between mid-April and early May consisted of 5-waves, which is the wrong shape for a corrective wave, suggesting it was bullish impulse. We are bullish, but the MA on the RSI is warning that the USD 19,445 support is looking vulnerable. A mixed technical, the question I am asking, have we started a larger bull cycle, or truncated? At this point, we are still bullish, making USD 19,445 the key level to follow, if broken we become neutral. Sorry, not much help today on this one at this point.

Source Bloomberg

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