

# FIS Capesize Intraday

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## Capesize June 23 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	18,125	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

### Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (37)
- Stochastic is oversold
- Price is below the daily pivot USD 19,450
- Technically we remain in bull territory on Friday but the technical itself was becoming difficult to read. We had seen 5 wave move higher between late Jan and mid-April, with the downside move in late April holding in bull territory. This had been followed by the futures trading to a new high, it could be that the upside move was a countertrend wave B which had made a new high (known as truncation and unusual), meaning we are in a larger corrective phase. However, the upside move between mid-April and early May consisted of 5-waves, which was the wrong shape for a corrective wave, suggesting it was bullish impulse. We were bullish, but the MA on the RSI warned that the USD 19,445 support was looking vulnerable. A mixed technical, the question I was asking, had we started a larger bull cycle, or truncated on the wave B? At the time, we were still bullish, making USD 19,445 the key level to follow, if broken we would be neutral. Unfortunately, I was not much held beyond this as the technical was so unclear. The futures have continued to move lower with the USD 19,445 support now broken, meaning although bullish now has a neutral bias. Price is 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 USD 19,450 with the RSI at or above 49.5 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 21,484 will leave the futures vulnerable to further tests to the downside, above this level the technical will target the USD 23,150 fractal high.
- Bullish with a neutral bias, downside moves below USD 17,550 will mean the technical is bearish. The MA on the RSI is indicating that momentum remains weak, implying the USD 17,550 support is vulnerable. The deep pullback would also suggest that the probability of the futures trading to a new high has decreased, meaning the technical condition is weakening. Putting the conflicting wave cycle to one side, the technical would suggest that support levels have a higher probability of being tested and broken, based on momentum, the pullback and a clear break below the 55-period EMA.

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