

FIS Capesize Intraday

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Capesize June 23 Morning Technical Comment – 240 Min



Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA’s
- RSI is below 50 (32)
- Stochastic is oversold
- Price is above the daily pivot USD 18,225
- With the futures moving higher yesterday we were cautious on a move above USD 19,500 as the minimum requirement for phase cycle completion had been met. The upside move failed to hold, with price trading below the USD 17,900 support, warning we had the potential for further downside. We noted on the close report yesterday that the downside move meant we had a potential downside target at USD 16,020. The futures were in divergence on the close last night; however, the move lower this morning means that the divergence has failed. 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 18,225 with the RSI at or above 44 will mean price and momentum are aligned to the buyside. However, key resistance is below the daily pivot point at USD 18,184, upside moves that fail at or below this level will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the divergence has failed on the 4-hour RSI, but the 1-hour RSI is testing support at 29.40, if broken it will warn that intraday upside moves have the potential to be countertrend. We maintain a near-term downside target at USD 16,020 at this point with further support at USD 15,143. However, the break below USD 17,900 does leave the cycle open to further downside wave extensions.

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