

# FIS Capesize Intraday

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## Capesize July 23 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	16,450	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

### Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA’s
- RSI is above 50 (51)
- Stochastic is overbought
- Price is above the daily pivot USD 15,541
- Technically we remained bearish on the last report (26/05) with intraday Elliott wave analysis suggesting upside moves should be considered as countertrend, making USD 17,762 the key resistance to follow. In theory, the upside move should not hold based on the Elliott wave analysis; however, there were rumours at the time of more bond issues coming out of China that had resulted in iron ore catching a bid that morning. The Elliott wave cycle is based on the psychological footprint on the market, so when we start to see government intervention, we become less reliant on the cycle, as it has a higher probability of failing. Suggesting a little caution, as the market might be less technical, and more news driven. The wave cycle held with price trading to a low of USD 13,375 in the June contract, before rolling into July. We have since seen a move higher with price above the 8-21 period EMA’s supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 15,541 with the RSI at or below 37 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 14,565 will support a bull argument, below this level the technical will have a neutral bias.
- The futures look to have completed the downside phase of the Elliott wave cycle, which has resulted in the move higher. However, the intraday futures are now testing (but remain below) the 55-period EMA whilst the RSI is near neutral with the stochastic in overbought territory. If the RSI moves below and holds below 50, then momentum will warn that we could see support levels be tested in the near-term. Likewise, if the RSI can hold above 50 then the stochastic is considered as less relevant. The technical itself is now bullish based on the move above USD 16,350; however, market buyers will want to see the futures close above and hold above the 55-period EMA (USD 16,745), if we do, it will further support a bull argument.

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