

FIS Capesize Intraday

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Capesize Nov 23 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	19,625	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above 8—21 period EMA's
- RSI is above 50 (57)
- Stochastic is above 50
- Price is above the daily pivot USD 18,741
- Technically bearish due to the futures roll breaking the USD 17,375 support yesterday. We had conflicting momentum indicators, as the MA on the RSI suggested that resistance levels should in theory hold if tested; however, the RSI was above 50 with the stochastic in oversold territory, if the RSI could hold above 50, then momentum indicated we were vulnerable to a test to the upside. Conversely, if the RSI moved below 50 then the oversold stochastic would be considered as less relevant. Key resistance to follow was at USD 19,583, if broken, the probability of the futures trading to a new low would decrease, leaving resistance level vulnerable. The RSI held above 50 resulting in the futures moving higher, price is above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 18,741 with the RSI at or below 49 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 18,027 will support a near-term bull argument, below this level will warn that the USD 17,075 fractal support could be tested.
- Technically we are bearish but now have a neutral bias based on the strength of the upside move, the probability of the futures trading to a new low has decreased, warning resistance levels are starting to look vulnerable. However, the technical is only bullish above the USD 20,875 fractal high. If we do trade to a new high it will warn that we are potentially starting a new cycle, meaning there could be a larger Elliott wave cycle in play. Although bearish/neutral, we continue to remain cautious on the current upside move until confirmation of a new bullish cycle. We should also note that a new high could potentially create a negative divergence with the RSI; however, it is a little early to tell if this will be the case, it is just something to look out for.

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