

FIS Capesize Intraday

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Capesize May 24 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	26,875	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (51)
- Stochastic is above 50
- Price is above the daily pivot USD 25,083
- Technically bearish yesterday with price below the daily and weekly pivot levels. The MA on the RSI was flat, implying sell side momentum was neutral whilst the RSI was below the MA. In theory, intraday Elliott wave analysis suggested that upside moves look to be countertrend. However, we had the 200-period MA support at USD 22,653; we noted that this was a benchmark average, making it a natural area of support. If we closed below and held below the average, it would warn that the USD 20,837 level could be tested and broken. Likewise, if we held support and closed back above the weekly pivot level (USD 25,125) it would indicate that momentum was turning to the buyside, leaving resistance levels vulnerable. The technical was at an inflection point, the MA was sloping higher, indicating there could be potentially longer-term support in the market, making this a dangerous area for fresh market sellers. We were cautious on downside moves, as the intraday technical had the potential to be vulnerable to short covering in the market. The futures held above the 200-period MA and closed above the weekly pivot level, we are above the 8-21 period EMA's with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 25,083 with the RSI at or below 42.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 20,837 will support a longer-term bull argument, below this level the technical will have a neutral bias. Likewise, upside moves that fail at or below USD 30,407 will leave the futures vulnerable to further tests to the downside, above this level the USD 35,125 and USD 37,750 fractal high will start to look vulnerable.
- The upside move yesterday means that the futures have closed above the weekly pivot level with price and momentum aligned to the buyside. We are now testing the 55-period EMA (USD 26,881), a close above that holds above the average will further support a buyer's argument. In theory, upside moves look like they could be countertrend based on Elliott wave analysis; however, near-term price action is bullish, warning Fibonacci resistance levels are vulnerable. If we reject the 55-period EMA and price and momentum become aligned to the sell side, then we target the 200-period MA at USD 22,831.

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