

FIS Capesize Intraday

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Capesize July 24 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	26,125		RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is below 50 (49)
- Stochastic is above 50
- Price is above the daily pivot level USD 25,766
- Technically bearish yesterday, price action was bullish having held support (USD 24,625) and closed back above the trend line previously. We were testing the 55-period EMA (USD 26,444), a close above that held above this level would warn that the USD 27,347 resistance could be tested and broken. If it was, then the probability of the futures trading to a new low would start to decrease. The 'whipsaw' on the trend support indicated buy-side support in the market, warning resistance levels could come under pressure. Failure to close above the 55-period EMA would suggest caution, as it implied that market sellers were prepared to defend the average.
- Market sellers defended the average yesterday resulting in the futures closing back on trend support. We have opened higher again this morning but continue to see a defense of the 55-period EMA. Price is above the 8-21 period EMA's with the RSI near neutral at 49, intraday price and momentum are aligned to the buy-side.
- A close on the 4-hour candle below USD 25,766 with the RSI at or below 45 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 27,347 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, price action is neutral. We have trend support at USD 25,766 that is being respected and EMA resistance at USD 26,393, this is also being respected. If we close above and hold above the EMA, then the USD 27,347 resistance could be tested and broken, if it is, then the probability of the futures trading to a new low will start to decrease. If we close below and hold below trend support, we also need to see price break the USD 34,625 triple bottom to signal downside continuation. This will also involve the RSI divergence needing to fail. Price action is neutral and looks to be in a Darvas box, meaning we will need to see a breakout from the USD 24.625 – USD 27,075 range. On balance, the potential divergence below support does mean we lie slightly in favour of an upside breakout.

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