

FIS Capesize Intraday

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Capesize July 24 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	22,285	R1	24,916	Stochastic oversold	RSI below 50
S2	21,675	R2	25,333		
S3	21,250	R3	25,428		

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (38)
- Stochastic is oversold
- Price is below the daily pivot level USD 24,916
- Technically bearish on Friday. With trend support being broken again, we had taken it off the chart, as we no longer considered it as relevant. We remained in the Darvas box, meaning price action is neutral. As noted previously, we remained cautious on downside moves due to the futures becoming divergent below the 24,625 level.
- The futures have sold lower on the open, resulting in the USD 24,625 support level being broken. We are below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 24,916 with the RSI at or above 47.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 26,922 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the break in support has resulted in the futures selling USD 1,200 lower on the open, meaning we are testing RSI support. Technically we are still in divergence, warning we still have the potential to see a momentum slowdown; however, the divergence is marginal, if it fails then the USD 21,675 – USD 21,250 fractal support zone could be tested and broken. Likewise, if the divergence holds, resistance levels could come under pressure. As a rule, consolidation phases tend to target the 100% Fibonacci projection of the hi/low (of the consolidation, projected from the USD 24,625 breakout). This would suggest that we have a potential downside target at USD 22,175, implying that the divergence has a higher chance of now failing.

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