

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	23,775	Stochastic oversold	RSI below 50
S2	20,525	R2	24,655		
S3	18,304	R3	26,497		

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (33)
- Stochastic is oversold
- Price is below the daily pivot level USD 23,775
- Technically bearish yesterday, the break in support had resulted in the futures selling USD 1,200 lower on the open, meaning we were testing RSI support. Technically we were still in divergence, warning we still had the potential to see a momentum slowdown; however, the divergence was marginal, if it failed then the USD 21,675 – USD 21,250 fractal support zone could be tested and broken. Likewise, if the divergence held, 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 suggested that we had a potential downside target at USD 22,175, implying that the divergence had a higher chance of now failing.
- The futures have sold lower with the divergence now failing. Price is 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 23,775 with the RSI at or above 44.5 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 26,497 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI indicates that momentum remains weak, whilst the divergence has failed. This is a warning that the USD 21,675 – USD 21,250 fractal support zone could be tested and broken. However, the futures are testing a support line (USD 21,961) that has held on two previous occasions, the futures now need to close below and hold below this level for downside continuation. The divergence failure suggests that intraday upside moves have the potential to be counter-trend in the near-term. Bearish but on support, meaning we could see a small move higher in the very near term.

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