

FIS Capesize Intraday

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Capesize July 24 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	25,058	R1	26,125	RSI above 50	
S2	24,141	R2			
S3	23,445	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8–21 period EMA's
- RSI is below 50 (56)
- Stochastic is above 50
- Price is above the daily pivot level USD 25,058
- Technically bearish but with a neutral yesterday, the MA on the RSI was starting to flatten, implying momentum was neutral. The futures have traded above but were failing to hold above the 55-period EMA (USD 25,128); if we closed below and held below it, then support levels could come under pressure. Likewise, a move that held above the average would leave the USD 26,250 – USD 26,750 fractal resistance vulnerable. Below USD 23,445 the futures would be back in bearish territory; however, we remained cautious on downside moves due to the weekly 200-period MA at USD 22,032 whilst the daily is at USD 21,433. Price action was neutral as the futures are trading in the consolidation zone that formed at the end of May. This suggested that if we did start to see the intraday close below and hold below USD 24,625, we could have another test at the lows. The reaction to the 55-period EMA would be key to the next directional move. We noted in the close report that the July v Aug spread was vulnerable to a mean reversion back to its averages, whilst the July Q3 was in divergence. This meant that we had a note of caution on the July futures and highlighted that we would need to see a bullish open to avoid a corrective phase.
- The futures closed below the 55-period EMA with price seeing little movement again; however, we have opened with buy-side support, putting price back above the 55-period EMA. The RSI is above 50 with price and momentum aligned to the buy-side.
- A close on the 4-hour candle below USD 25,058 with the RSI at or below 46 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 23,445 will support a near-term bull argument, if broken, then the USD 22,000 fractal low will start to look vulnerable.
- Technically bearish, the MA on the RSI remains flat, meaning momentum is still neutral. We are above the 55-period EMA (USD 25,129) with price breaching the USD 26,250 fractal resistance, if we can hold above the EMA then the USD 26,750 fractal high of the consolidation zone could be tested and broken; likewise, if we close below it for a third time, then it would suggest the USD 24,625 consolidation support will be tested and broken. The probability of the futures trading to a new low has decreased; however, we are back in the consolidation zone meaning price action is neutral (despite the move higher on the open). For upside continuation, we will need to close above and hold above the consolidation resistance at USD 26,750. Neutral

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