

FIS Capesize Intraday

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Capesize Dec 24 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	17,300	R1	17,925	Stochastic oversold	RSI below 50
S2	16,442	R2			
S3	13,350	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (31)
- Stochastic is oversold
- Price is below the daily pivot level USD 19,800
- Technically bearish yesterday, the MA on the RSI is indicating momentum was weak. The new low meant that we had traded below the USD 20,853 support, warning that the probability of the futures trading to a new high had started to decrease. The futures had a 5-wave pattern lower with the lower timeframe RSI in divergence. Not a buy signal the divergence needed to be monitored. The 5-wave pattern suggested that we were still on a corrective Elliott wave A, with a downside target at USD 19,124, meaning upside moves should in theory be countertrend. If we did trade above USD 25,105, then the probability of the futures trading to a new low will start to decrease.
- The futures continued to sell lower resulting in a close below at USD 18,775, below our near-term downside target of USD 19,124. We noted on the EU close report that the move lower had resulted in a lower timeframe wave extension, meaning upside moves were still considered as countertrend. We have sold lower again this morning meaning price remains below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 19,800 with the RSI at or above 41.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 24,383 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 is implying that momentum remains weak. The Elliott wave extensions means that upside moves are still considered as countertrend, whilst Fibonacci projection levels suggest USD 17,300 is likely to be broken in the near-term, with a potential downside target as low as USD 13,350.

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