

FIS Capesize Intraday

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Capesize Feb 25 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	9,124	R1	10,075	Stochastic oversold RSI below 50
S2	7,900	R2	11,135	
S3	6,112	R3	12,750	

Synopsis - Intraday

Source Bloomberg

- Price is below the 8–21 period EMA's
- RSI is below (46)
- Stochastic is oversold
- Price is below the daily pivot level USD 10,075
- Technically bearish with a neutral bias yesterday, the MA on the RSI implied that momentum was supported. We noted previously that the RSI had made a new high, whilst we have not seen a 3-wave pattern higher, meaning we continued to have a note of caution on moves lower whilst above the USD 9,124 level, as this suggested that we should in theory trade above the USD 11,500 fractal resistance. If we did trade below USD 9,124, then the USD 7,900 fractal low could be tested and broken.
- We sold to a low of USD 9,625 yesterday, before finding light bid support on the open today to trade to a high of USD 10,025; however, we rejected the daily pivot level (USD 10,075) resulting in bids now fading. We are 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 10,075 with the RSI at or above 53.5 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 9,124 will support a near-term bull argument, below this level the technical will be back in bearish territory.
- Unchanged on the technical today, we remain bearish with a neutral bias, the probability of the futures trading to a new low has started to decrease. However, if we trade below USD 9,124, then the technical will be back in bearish territory, warning the USD 7,900 fractal low will start to look vulnerable. We initially moved higher on the back of a positive divergence with the RSI whilst the lower timeframe Elliott wave cycle looked like it may have completed; the upside move to USD 11,500 means we have entered a higher timeframe countertrend wave 4. In theory, corrective patterns tend to consist of 3-waves, suggesting we should trade above the USD 11,500 fractal resistance, meaning we continue to have a note of caution on downside moves whilst above the USD 11,24 level.

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