

FIS Capesize Intraday

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Capesize Feb 25 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	7,641	R1	9,028	RSI below 50
S2	7,350	R2	9,500	
S3	6,975	R3	10,140	
		8,000	Stochastic oversold	

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below (40)
- Stochastic is oversold
- Price is below the daily pivot level USD 7,641
- Technically bearish on Friday, the downside move on the open had created a minor divergence with the RSI (there were 4 divergences in play). However, it looked like we may be seeing a lower timeframe Elliott wave extension to the downside (note this was still sub-1-hour, so should be treated with caution), meaning intraday upside moves could be countertrend in the very near-term. Wave analysis suggested that we have the potential to trade as low as USD 6,975 within this phase of the cycle. We were a cautious bear; upside moves above USD 10,140 would warn that the probability of the futures trading to a new low has started to decrease.
- Having traded to a low of USD 7,500 on Friday's open, the futures are now seeing light bid support. We remain below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USDD 7,641 with the RSI at or above 41.5 will mean price and momentum are aligned to the buy side. Likewise, a close below this level with the RSI at or below 37 will mean it is aligned to the sell side. Upside moves that fail at or below USD 10,140 will leave the futures vulnerable to further tests to the downside, above this level the technical will have neutral bias.
- Technically bearish, the futures are finding bid support off the back of the positive divergence with the RSI. We noted on Friday that there maybe a lower timeframe wave extension to the downside; however, it was marginal and on the sub-hour chart. With 4 divergences in play, we remain cautious on moves lower, regardless of any potential wave extension.

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