

FIS Capesize Intraday

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Capesize May 25 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	16,625	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8–21 period EMA's
- RSI is below 50 (30)
- Stochastic is oversold
- Price is below the daily pivot level USD 18,741
- The futures remained bullish but in a corrective phase on Friday, the failure to hold the USD 22,250 fractal break had been followed by a move below USD 19,300, indicating that there was a larger, bearish corrective wave in play (A—B—C adjusted accordingly on the chart). We were below the daily 200-period MA and noted that if we held below this level, we had the potential to test the USD 17,725 Fibonacci support. However, a close back above the daily MA and trend resistance (was previously support—USD 20,271), would indicate that buy-side support was entering the market. We were seeing signs of weakness, but there was a minor divergence on the 4-hour chart; if it failed, the technical will suggest that we move lower.
- The futures sold lower on Friday and gapped lower this morning, meaning the divergence has failed. We were 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 18,741 with the RSI at or above 51 will mean price and momentum are aligned to the buy-side. Downside moves that hold at or above USD 15,650 will support a bull argument, below this level the Elliott wave cycle will have a neutral bias.
- Near-term price action is bearish, the longer-term Elliott wave analysis remains bullish above USD 15,650, and neutral below. We should note that wave analysis is based on the psychological footprint of the market. With a global risk of mentality in the market at the moment, there is a high probability that the psychology has changed, meaning there is a greater chance that this bull wave cycle will fail. If we do trade below USD 15,650, then the probability of price trading to a new high will start to decrease. The MA on the RSI implies momentum is weak whilst the divergence failure warns that support levels are vulnerable, suggesting the USD 15,650 support could be broken.

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