

FIS Capesize Intraday

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Capesize May 25 Morning Technical Comment – 240 Min



Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (33)
- Stochastic is oversold
- Price is below the daily pivot level USD 17,508
- As noted previously, the longer-term Elliott wave cycle remained in bullish territory; however, near-term price action was bearish. The MA on the RSI continued to suggest that momentum remained weak, with price rejecting the 8-period EMA on the open. Lower timeframe wave analysis did suggest that upside moves had the potential to be countertrend in the near-term, warning the USD 15,650 support remained vulnerable. The wave cycle was currently on a corrective wave C of a higher timeframe wave 4, making USD 15,650 the key support to follow. If broken, then the probability of the futures trading to a new high would start to decrease, increasing the probability of the bull cycle failing. We were cautious on upside moves at that point.
- The futures found light bid support yesterday; however, price has gapped lower on the open, meaning we are back below yesterdays levels. 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 17,508 with the RSI at or above 40.5 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.
- Unchanged on the technical this morning. The longer-term Elliott wave cycle remains bullish (we look to be in a corrective wave C of a higher timeframe wave 4); however, near term price action is bearish. Lower timeframe Elliott wave analysis (based on the correction), continues to suggest caution on moves higher at this point, as they could struggle to hold. Key support is at USD 15,650; a move below this level will mean that the probability of the futures trading to a new high has start to decrease, warning that there is a higher probability of the bullish wave cycle failing. We maintain a note of caution on moves higher, meaning the USD 15,650 support remains vulnerable.

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