

FIS Capesize Intraday

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Capesize June 25 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	18,141	R1	18,866	18,200	Stochastic oversold	
S2	17,150	R2	19,058			
S3	16,250	R3	21,365			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is above 50 (43)
- Stochastic is below 50
- Price is below the daily pivot level USD 18,866
- Technically bullish but in a corrective phase last week, the MA on the RSI implied that momentum was weak. The futures were approaching the USD 18,275 fractal support; if broken the intraday technical would be considered as bearish based on price. However, the Elliott wave cycle was still considered as bullish but in a corrective phase. The rejection of the USD 21,635 resistance had been followed by a close below the daily 200-period MA (and 55-period EMA), implying support levels were vulnerable, as it suggested that there was a larger bearish wave cycle in play.
- The futures tested but held the intraday 200-period MA on the Friday (USD 18,141), resulting in price moving higher on Monday. However, we are selling lower again on the open, with price once again testing the 200-period MA. The RSI is below 50 with price below the 8-21 period EMA's, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 18,866 with the RSI at or above 47.5 will mean price and momentum are aligned to the buyside. Likewise, a close below this level with the RSI at or below 43 will mean it is aligned to the sell 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.
- Technically bearish based on price, the Elliott wave cycle remains bullish but in a corrective phase. The MA on the RSI implies momentum is weak; however, the futures are trading on the 200-period MA (USD 18,141). A close below that holds below the average will warn that support levels come under pressure. Conversely, if we hold above the USD 18,141 levels, it will imply there is an underlying support in the market. the rejection of the USD 21,365 resistance does suggest that there is a larger bearish corrective phase in play, meaning the technical favours further downside. If we do sell lower and breach the USD 15,650 support, then the probability of price trading to a new high will start to decrease. Price is at an inflection point, but support is looking vulnerable.

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