

FIS Capesize Intraday

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Capesize July 25 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	17,125	R1	17,833	Stochastic oversold	RSI below 50
S2	16,250	R2	19,220		
S3	15,684	R3	19,625		

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (44)
- Stochastic is oversold
- Price is below the daily pivot level USD 17,833
- Near-term price action remained bearish yesterday; however, the longer-term Elliott wave cycle was bullish above USD 15,684, below this level it would have a neutral bias. The roll into July meant that the rolling front month futures had rejected the 200-period MA (USD 19,177), for upside continuation, we would need to see a close above that held above the longer-term average. We had noted just over a week ago, there were warning signs that sell side momentum was slowing, meaning we were cautious on downside moves in the near-term. If, however, we did trade below the USD 17,125 fractal support, then the USD 16,250 fractal low would start to look vulnerable.
- The upside move on the open yesterday failed to hold, resulting in price selling lower. We are below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 17,833 with the RSI at or above 52 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 15,684 will support a bull argument, below this level the Elliott wave cycle will have a neutral bias.
- Near-term price action remains bearish with price now approaching the USD 17,125 fractal support, the Elliott wave cycle is bullish above USD 15,684 and neutral below. We noted previously that we were seeing a momentum slowdown based on price, meaning we were cautious on moves lower; however, if we trade below the USD 17,125 level, it will warn that the USD 16,250 and USD 15,684 support levels could come under pressure. Price action is weakening, the RSI is approaching support whilst price approaches fractal support, if both are broken, the technical will warn that we move lower. Conversely, if support holds, market sellers will need to be cautious. For upside continuation, we are going to see a close above the 200-period MA (USD 19,220).

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