

FIS Capesize Intraday

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Capesize July 25 Morning Technical Comment – 240 Min



| Support | Resistance | Current Price | Bull | Bear |
|---------|------------|---------------|--------------|------|
| S1 | R1 | 18,575 | RSI above 50 | |
| S2 | R2 | | | |
| S3 | R3 | | | |

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (52)
- Stochastic is above 50
- Price is on the daily pivot level USD 18,575
- The Elliott wave cycle remained in bullish territory, whilst the upside breakout above the intraday fractal resistance yesterday (USD 18,900) meant near-term price action was bullish, the RSI high warned that support levels should hold in the near-term. However, countering this, the upside move had rejected the intraday 200-period MA (USD 19,334), and the daily 200-period MA (USD 18,912), resulting in price selling back below the 55-period MA. The rejection of the key longer-term benchmark moving averages warned that we had selling pressure at higher levels. Ultimately, price was still in a symmetrical triangle which was a neutral pattern, meaning directional bias would come from a breakout of the pattern (USD 17,286—USD 19,889). The MA rejection was considered more important than the RSI high previously, the fact that the July contract was lagging the index by USD 5,617, did suggest that the paper market thought that the index spike would fail. A neutral pattern, the bullish break to the upside had warning signs that that the upside move could have been reactionary due to the lack of bullish follow through.
- The futures had a late push higher on Friday, resulting in price trading to a high of USD 19,125; however, weaker price action this morning means we remain below the 200 period MA (19,334), but above the 8-21 period EMA's. The RSI is above 50 with intraday price and momentum aligned to the buyside.
- A close on the 4-hour candle below USD 18,575 with the RSI at or below 49 will mean price and momentum are aligned to the sell side. 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.
- The futures remain in the consolidation pattern with price now between the 200-period MA (USD 19,334) and the 55-period EMA (USD 18,508). Near-term price action is neutral with the futures needing to close and hold outside of the pattern for directional bias (USD 19,802—USD 17,379). The longer-term Elliott wave cycle remains bullish above USD 15,684, and neutral below.

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