

FIS Capesize Intraday

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Capesize July 25 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	18,400		RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (42)
- Stochastic is above 50
- Price below the daily pivot level USD 19,078
- Technically bullish yesterday, the futures had held the daily MA support with price now trading on the trend line of the symmetrical triangle (USD 19,551), meaning we were at an inflection point. The move below USD 18,954 did warn of intraday weakness, implying caution on moves higher in the near-term. For upside continuation, we needed to see a daily close that held above the weekly 200-period MA (USD 20,763). Failure to do so would warn that there could be further downside within this corrective phase. Likewise, a close below the daily 200-period MA (USD 18,378) would imply technical weakness. We were seeing signs of intraday support; however, as highlighted last week, we needed to see more from the technical to convince that resistance levels could be tested and broken, as the breach in the USD 18,954 level left us vulnerable to a move lower in the near-term.
- The bid support has failed to hold resulting in price selling lower post index yesterday, and on the open this morning. We are below all intraday 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 19,078 with the RSI at or above 52.5 will mean price and momentum are aligned to the buy 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.
- Near-term price action is making lower highs and lower lows with price back in the symmetrical triangle, suggesting it is a failed breakout. As noted previously, the lack of energy on upside moves after 46 days in consolidation had warned of momentum weakness. Price is now testing the daily 200-period MA (USD 18,322), a close that holds below the average on the daily timeframe will warn that USD 17,300—USD 17,125 fractal support zone is now vulnerable. The technical is weakening, support levels are vulnerable.

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