

FIS Capesize Intraday

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Capesize Aug 25 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	16,900	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (35)
- Stochastic is oversold
- Price is above the daily pivot level (USD 16,800)
- Bearish based on price yesterday, the MA on the RSI continued to suggest that momentum remained weak, whilst the RSI had made new lows, suggesting upside moves had the potential to be countertrend. However, as highlighted previously, the 6-period RSI was at 15 (not shown), meaning shorter period momentum was oversold, leaving the futures vulnerable to an intraday move higher in the near-term.
- The futures have started to consolidate with price holding above the USD 16,625 low. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 16,800 with the RSI at or above 40 will mean price and momentum are aligned to the buy side; likewise, a close below this level will mean it is 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. Likewise, upside moves that fail at or below USD 19,512 will leave the futures vulnerable to further tests to the downside.
- Technically bearish based on price, the MA on the RSI implies that momentum remains weak; however, price is now consolidating due to faster moving momentum being oversold. As noted previously, due to price and the RSI making new lows, the technical suggests that upside moves could potentially be countertrend, making USD 19,512 the key resistance to follow. A move above this level will warn that the USD 19,900 fractal resistance could be tested, if broken it will put price back in bullish territory. We remain cautious on downside moves at these levels at this point.

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