

# FIS Capesize Intraday

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## Capesize Aug 25 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	24,875	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

### Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (80)
- Stochastic is overbought
- Price is above the daily pivot level (USD 22,866)
- Technically bullish yesterday, we noted that the futures were holding above the bullish breakaway gap, warning we could be forming a polarity support. Upside moves above USD 22,250 had the potential to produce a negative divergence with the RSI; not a sell signal, it warned that we could see a momentum slowdown which will need to be monitored. We also noted that if we produced a bull candle on high volume it would confirm the polarity support, meaning resistance levels would become vulnerable. Suggesting the negative divergence had a greater chance of failing.
- The futures confirmed polarity support result in price trading above the USD 24,000 fractal resistance, the divergence failed. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 22,866 with the RSI at or below 70.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 19,387 will support a bull argument, below this level the near-term Elliott wave cycle will have a neutral bias.
- Technically bullish, the MA on the RSI implies momentum is supported. As noted in the close report yesterday, the futures have confirmed we are on the longer-term bullish Elliott wave 5 of the cycle that has been in play since the high in March. Within this wave 5 we are on a wave 3 of a wave 3. Our Elliott wave analysis is warning that downside moves should be considered as countertrend, as there should in theory be further upside within this cycle. The 1-hour RSI is now in divergence due to the move higher today, this will need to be monitored; however, the 4-hour RSI is making new highs, supporting our wave analysis. A close below the low of the last dominant bull candle (USD 22,875) will warn that buyside pressure is easing, implying we have entered a countertrend move lower. If we do trade below USD 19,387 the pullback will be considered as deep, meaning the probability of price trading to a new low will start to decrease. The 4-hour ADX is at 40, whilst the daily ADX is at 23, both support a bullish trending environment.

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