

FIS Capesize Intraday

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Capesize Nov 25 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	23,937	R1	27,078	24,500	RSI below 50	Stochastic oversold
S2	21,597	R2	27,875			
S3	19,754	R3	28,441			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (24)
- Stochastic is oversold
- Price is below the daily pivot level (USD 28,441)
- The downside move below the USD 29,700 level yesterday meant that the intraday technical was bearish based on price; however, the longer-term Elliott wave cycle remained bullish above USD 21,597 and neutral below. The futures were testing the USD 28,597 support, this was two standard deviations below the linear regression line, suggesting we were potentially a little overextended to the downside in the near-term. However, the MA on the RSI implied that momentum is weak, whilst the RSI was making new lows, the technical suggested that intraday upside moves could now struggle to hold, meaning we remained cautious on upside moves. We noted that if we were entering a higher timeframe correction (not yet confirmed), then the 2 standard deviation support would eventually fail.
- We traded to a low of USD 27,625 yesterday before gapping lower on the roll into Nov today, price continues to sell lower this morning. We are below all key 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 28,411 with the RSI at or above 53.5 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 21,597 will support a longer-term bull argument, below this level the Elliott wave cycle will have a neutral bias.
- Intraday price action remains bearish; having gapped lower on the roll, the futures have continued to come under pressure, the MA on the RSI implies that momentum remains weak. The futures are below the intraday 200-period MA (USD 25,237), a close that holds below the average will further weaken the technical. Conversely, a close back above the average will imply that there is intraday support entering the market. The RSI is making new lows suggesting upside moves should in theory be countertrend, making USD 28,955 the key resistance to follow.

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