

FIS Capesize Intraday

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Capesize Nov 25 Morning Technical Comment – 240 Min



Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (34)
- Stochastic is oversold
- Price is above the daily pivot level (USD 24,558)
- Bearish based on price yesterday, the MA on the RSI implied that momentum remained weak, whilst the RSI low suggested that upside moves should be considered as countertrend in the near-term. We noted that the RSI at 26 was in oversold territory; a close above the 200-period MA (USD 25,341) with the RSI moving above 30 would warn that there was intraday support entering the market, making USD 28,870 the key resistance to follow. Upside moves that failed at or below this level would warn leave support levels vulnerable, above this level the probability of price trading to a new low would start to decrease. Bearish based on price, the intraday 200-period MA was in focus due to the RSI being in oversold territory.
- The futures are now finding bid support with price trading on the 200-period MA (USD 25,456). We remain below the 8-21 period EMA's supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 24,558 with the RSI at or above 38.5 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 21,597 will support a longer-term bull argument, below this level the Elliott wave cycle will have a neutral bias.
- Technically bearish, the MA on the RSI implies that momentum is weak, whilst the momentum low suggests that upside moves considered should be considered as countertrend in the near-term. The futures are trading on the 200-period MA, meaning we are at an inflection point; as highlighted yesterday, if we close and hold above the average and price and momentum become aligned to the buy side, it will indicate intraday support is entering the market, making USD 28,870 the key resistance to follow. Above this level, the probability of the futures trading to a new low will start to decrease.

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