

FIS Capesize Intraday

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Capesize Jan 26 Morning Technical Comment – 240 Min



Source Bloomberg

Synopsis - Intraday

- Price is below the 8—21 period EMA's
- RSI is below 50 (45)
- Stochastic is below 50
- Price is on the daily pivot level (20,183)
- Technically bullish with a neutral bias yesterday, the probability of price trading to a new high had started to decrease, making USD 21,782 the key resistance to follow. Above this level the technical would be back in bullish territory. We noted that the 4-hour divergence had failed; however, we had a 1-hour divergence in play, not a buy signal it warned that sell side momentum could slow, leaving the futures vulnerable to an intraday move higher. The move below USD 19,858 meant that the pullback should be considered as deep, suggesting upside moves had a greater chance of being countertrend.
- The futures traded to a high of USD 21,000 on the open this morning before coming back under pressure. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 20,183 with the RSI at or below 43 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 21,782 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The downside move below USD 19,675 means the technical is bearish, our Elliott wave analysis now has a neutral bias, meaning the probability of price trading to a new high has now decrease. The RSI crossed above its average yesterday; however, the MA continues to imply that momentum is weak. Elliott wave analysis based on the corrective phase suggests that upside moves should be considered as countertrend, making USD 21,782 the key resistance to follow. If broken, then the probability of price trading to a new high will start to decrease. With price failing (rejecting) to test the USD 21,782 resistance, the move lower implies that the USD 19,175 fractal low is now vulnerable.

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