

FIS Capesize Intraday

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Capesize April 26 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	30,791	R1	33,000	RSI above 50 Stochastic overbought
S2	30,415	R2	34,038	
S3	28,352	R3	35,919	

Source Bloomberg

Synopsis - Intraday

- Price is between the 8—21 period EMA's
- RSI is above 50 (57)
- Stochastic is oversold
- Price is below the daily pivot level (33,000)
- Intraday Technical Outlook Tuesday: conflicting signals
- The futures have seen bid support yesterday morning; however, intraday price action is showing an unusual pattern where we were seeing rising bearish candles. Technically, this suggested that underlying price action remained supported, alongside the recent RSI break highlighted last week. The caveat was that we had have a minor divergence in play with the RSI, warning buyside momentum could slow. As highlighted in the weekly report yesterday, intraday downside moves look like they could be countertrend in the near-term, the divergence did need to be monitored, but the RSI resistance break yesterday supports our wave analysis.
- The futures traded to a high of USD 33,125 before selling lower on the open this morning. We are between the 8-21 period EMA's with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 33,000 with the RSI at or above 65.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 28,352 would support a near-term bull argument, below this level the technical will have a neutral bias.
- Intraday Technical Outlook: Weakening momentum
- The failure to trade to a new high due to the negative divergence has resulted in a failed swing high on the RSI (14-period, highlighted by blue line), warning of momentum weakness. With the divergence in play we are cautious on upside moves, while the weakening momentum is warning that the USD 28,352 support could come under pressure. Throwbacks that hold at or above this level will indicate there is further upside within this phase of the cycle; conversely, if broken it will further weaken the technical. Key longer-term support is at USD 20,992, corrections that hold at or above this level will imply there could be a larger, bullish Elliot wave cycle in play.

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