

FIS Capesize Intraday

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Capesize May 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	33,350	R1	34,825	34,050	RSI above 50	Stochastic overbought
S2	30,642	R2	36,799			
S3	29,350	R3	40,625			

Source Bloomberg

Synopsis - Intraday

- Price is above the 8—21 period EMA's
- RSI is above 50 (70)
- Stochastic is overbought
- Price is below the daily pivot level (33,350)
- Intraday Technical Outlook Previously: Downside moves considered as countertrend.
- The RSI had rejected the 85 level with price in a corrective phase. However, our Elliott wave analysis did suggest that downside moves should be considered as countertrend, making USD 27,598 the key support to follow. Corrections below USD 27,598 would be considered as deep into the last bull wave, warning that the probability of the futures trading to a new high will begin to decrease. Based on the last 3 RSI rejections from the 85 level, there remained room for further downside in the near-term.
- Having traded to a low of USD 32,750 the futures are now finding light bid support. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 33,350 with the RSI at or above 78 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 27,598 will support a bull argument, below this level the technical will have a neutral bias.
- Intraday Technical Outlook: Downside moves considered as countertrend.
- The futures are finding bid support. However, an upside move to a new high from here will signal a lower timeframe wave extension, as the downside move was not deep enough to achieve the higher timeframe pullback we were looking for. A new high above USD 34,825 will create a negative divergence with the RSI; this is not a sell signal, but it does warn that buy side momentum could slow. Technically, upside breakouts should be treated with caution from here in the near-term. The market remains supported with downside moves still considered as countertrend, but as stated, at these levels, we remain cautious on upside moves.

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