

# FIS Capesize Intraday

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## Capesize May 26 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	30,673	32,675	Stochastic oversold	RSI below 50
S2	29,375			
S3	27,615			
	R1	33,566		
	R2	34,900		
	R3	36,799		

Source Bloomberg

### Synopsis - Intraday

- Price is below the 8—21 period EMA's
- RSI is below 50 (46)
- Stochastic is oversold
- Price is below the daily pivot level (33,566)
- Intraday Technical Outlook Previously: Conflicting momentum
- Unchanged on the technical yesterday. We maintained our view that downside moves should be considered as countertrend, providing we held above 27,615 level. If breached, then the probability of price trading to a new high would start to decrease. Momentum continued to conflict, as the futures were coming under pressure due to the negative divergence with the RSI. However, as highlighted previously, while above USD 32,750, we had a positive reversal pattern in play, meaning resistance could still be tested in the near-term. The technical was bullish, momentum meant that price action was neutral.
- The futures have continued to come under pressure with price now breaching the USD 32,750 support, meaning the positive reversal pattern has failed. Price is below the 8-21 period EMA's with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 33,566 with the RSI at or above 61.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 27,615 will support a bull argument, below this level the technical will have a neutral bias.
- Intraday Technical Outlook: bullish throwback
- The futures have now confirmed that we are in a corrective phase due the positive reversal pattern failing. Both the RSI and price have made a new low, this is known as bearish momentum confirmation, and warns that Fibonacci support levels could come under pressure. The larger trend structure based on our Elliot wave analysis remains bullish, meaning we are looking at a technical throwback rather than a bearish correction. We identify, USD 27,615 as the key support to now follow; throwbacks that breach this level will reduce the probability of the futures achieving new highs. This will subsequently increase the probability of the bullish wave cycle failing.

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