

FIS Capesize Intraday

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Capesize May 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear			
S1	33,567	R1	35,891				35,000	RSI above 50	
S2	33,391	R2	37,325						
S3	32,525	R3	38,758						

Source Bloomberg

Synopsis - Intraday

- Price is above the 8—21 period EMA's
- RSI is above 50 (63)
- Stochastic is below
- Price is above the daily pivot level (33,391)
- Intraday Technical Outlook Previously: bullish throwback
- We noted yesterday that the downside move in the futures had failed to hold below the 55-period EMA at USD 31,733. We highlighted a small intraday bullish island reversal pattern in play, warning resistance levels could come under pressure. A daily close that held above the weekly pivot level at USD 32,541 would support a buyers' argument; conversely, a move below USD 31,250 would signal an increase in sell side pressure. Based on our Elliott wave analysis, we maintain our view that downside moves should be considered as countertrend.
- The futures have traded to a new high on the island reversal pattern. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below 33,391 with the RSI at or below 50 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 32,525 will support a bull argument, below this level the technical will have a neutral bias.
- Intraday Technical Outlook: Negative divergence
- The upside move to a new high means that the futures are in divergence with the RSI. This is not a sell signal, it is a warning that buy side momentum could slow down, meaning it needs to be monitored. On the buy side, Fibonacci projection levels suggest that we have a potential upside target at USD 38,785 for this phase of the cycle. Technically bullish, monitor the divergence.

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