

FIS Capesize Intraday

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Capesize July 26 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	30,375	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Source Bloomberg

Synopsis - Intraday

- Price is below the 8—21 period EMA's
- RSI is below 50 (30)
- Stochastic is oversold
- Price is on below the daily pivot level (30,500)
- Intraday Technical Outlook Previously: Bear flag but divergent
- The break to the downside yesterday meant that we have a small bearish flag in play, warning we could trade as low as USD 27,812 in the near-term. However, the downside breakout had created a positive RSI divergence, warning sell side momentum could slow, this needed to be monitored. A cautious bear yesterday.
- The futures have started to consolidated due to the divergence in play. We remain below the 8-21 period EMA's supported by the RSI below 50, intraday price and momentum are conflicting
- A close on the 4-hour candle below 30,500 with the RSI at or below 25.5 would mean price and momentum are aligned to the sell side; likewise, a close above this level will mean it is aligned to the buyside. Upside moves that fail at or below USD 37,613 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Intraday Technical Outlook: Caution on downside moves.
- In theory, the expectancy from the bear flag would have been a sharp move lower; however, due to the divergence this has not been the case. The lack of follow through suggests caution on downside moves while the divergence is in play, as the bear flag is failing to materialize.

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