

FIS Capesize Intraday

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Capesize July 26 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	28,500	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 (24)
- Stochastic is oversold
- Price is on below the daily pivot level (29,075)
- Intraday Technical Outlook Previously: Caution on downside moves.
- We noted in the last report that in theory, the expectancy from the bear flag would have been a sharp move lower; however, due to the divergence this had not been the case. The lack of follow through suggested caution on downside moves while the divergence was in play, as the bear flag is failing to materialize.
- The futures have sold lower with the divergence failing, we remain below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above 29,075 with the RSI at or above 29 would mean price and momentum are aligned to the buy. Upside moves that fail at or below USD 37,001 would 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
- We were clearly too quick to discount the flag pattern last week, as the move lower resulted in the divergence failing while price is approaching the 100% projection at USD 27,812. The RSI is at 24 while price is approaching the daily 200-period MA at USD 27,540, we also note that price is in a congestion area that formed between Feb—March, implying caution on downside moves at these levels. Although cautious on lower moves, the RSI is below 30, indicating momentum weakness, warning upside moves have the potential to be countertrend.

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