

FIS Capesize Intraday

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Capesize July 26 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	26,789	R1	27,758	Stochastic oversold	RSI below 50
S2	25,462	R2	29,045		
S3	24,300	R3	30,125		

Synopsis - Intraday

Source Bloomberg

- Price is below the 8–21 period EMA's
- RSI is below 50 (32)
- Stochastic is oversold
- Price is below the daily pivot level (27,758)
- Intraday Technical Outlook Previously: Caution on upside moves
- We noted yesterday that the negative reversal pattern had resulted in price trading to a new low. However, we were now in divergence with the RSI, warning sell side momentum could slow down. This is not a buy signal, it was a condition that would need to see positive price action to signal that the divergence was being respected. We identified USD 29,368 as key near-term resistance, as a move above this level would reduce the probability of price trading to a new low; conversely, market buyers should act with caution if the USD 29,368 resistance was rejected. The technical suggested caution was warranted on lower moves from here.
- The futures continue to come under pressure with price trading to a low of USD 27,675 on the open. 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 27,758 with the RSI at or above 44.5 would mean price and momentum are aligned to the buyside. Upside moves that failed at or below USD 29,105 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
- Fibonacci projection levels suggest we have the potential to trade as low as USD 25,462 within this phase of the cycle; if we close and hold below this level then we could potentially target the USD 22,550 support, as this is the 100% Fibonacci projection of the initial gap lower from the roll at the beginning of June. However, we are in divergence with the RSI; as highlighted yesterday, this is a condition that warns sell side momentum could slow down, it is not a buy signal, and will need confirmation from price that the divergence is being respected. We identify USD 29,105 as the key near-term resistance, if breached, then the probability of price trading to a new low will begin to decrease. The move lower on the open means we are trading below the daily 200-period MA at USD 27,567, market buyers will want to see price close and hold above this average to avoid further downside. Due to their divergence in play, the technical suggest that caution is warranted on lower moves.

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