

# FIS Capesize Intraday

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## Capesize July 26 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	27,275	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

### Synopsis - Intraday

Source Bloomberg

- Price is below the 8–21 period EMA's
- RSI is below 50 (38)
- Stochastic is oversold
- Price is above the daily pivot level (26,975)
- Intraday Technical Outlook Previously: Caution on downside moves
- We noted previously that Fibonacci projection levels suggested that we had the potential to trade as low as USD 25,462 within this phase of the cycle; if we closed and hold below this level then we could potentially target the USD 22,550 support, as this was the 100% Fibonacci projection of the initial gap lower from the roll at the beginning of June. We had highlighted previously that price was in divergence with the RSI, a condition that warned sell side momentum could slow down; it was not a buy signal, and needed 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 would begin to decrease. The move lower on the open meant that we were trading below the daily 200-period MA at USD 27,567, market buyers would want to see price close and hold above this average to avoid further downside. Due to the divergence in play, the technical suggested that caution is warranted on lower moves.
- The futures came under further pressure on Friday; however, we have opened with bid support this morning, resulting in price recovering more than half of Friday's losses. We remain below all key moving averages with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above 26,975 with the RSI at or above 42 would mean price and momentum are aligned to the buy side; likewise, a close below this level will mean it is aligned to the sell side. Upside moves that fail at or below USD 28,935 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 maintain a cautious approach to lower moves due to the positive divergence that warns sell side momentum could slow down. A close and hold back above the daily 200-period MA at USD 27,825 would indicate buy side support is entering the market, while a move above the USD 30,125 fractal resistance would suggest that this phase of the corrective phase may have completed. We identify USD 36,525 as the key longer-term resistance, as rejections below this level would signal a move complex corrective phase.

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