

Capesize June 20 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	6,166	R1	7,516	Stochastic oversold	RSI below 50
S2	5,725	R2	7,758		
S3	5,350	R3	8,191		

Source Bloomberg

Synopsis - Intraday

- Price action is below the 8 - 21 period EMA
- RSI is below 50
- Stochastic is oversold
- As previously highlighted the depth of the pullback had weakened the technical picture with a near-term target of USD 7,325 which has been achieved
- The futures are below the EMA's and the daily pivot point indicating technical weakness, this is supported by the RSI that is below 50 and in bear territory. However, the RSI is showing a positive divergence with the stochastic in oversold territory. The divergence is warning of a potential momentum slowdown and is not considered a buy signal, as the market is currently in trend
- Upside moves above the USD 7,516 level would be above the daily pivot and indicate the intraday is starting to firm. However price action that fails at or below the USD 8,505 level remains vulnerable to further tests to the downside
- Technically bearish and in trend with a near-term target revised to USD 5,725 which is the base of the bull support gap dating back to the toll at the end of March. The divergence is warning that we have the potential for a momentum slowdown and should not be considered a buy signal