

Capesize July 25 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	17,625	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 below the daily pivot level USD 18,733
- Near-term price action is making lower highs and lower lows yesterday with price back in the symmetrical triangle, suggesting we were looking at a failed breakout. As noted previously, the lack of energy on the upside move after 46 days in consolidation had warned of momentum weakness. Price was now testing the daily 200-period MA (USD 18,322), a close that held below the average on the daily timeframe would warn that USD 17,300—USD 17,125 fractal support zone was vulnerable. The technical was weakening, support levels were vulnerable.
- The futures sold lower yesterday but found light bid support off the daily 200-period MA (USD 18,266) into the close. Price opened below the daily pivot support resulting in further weakness this morning. We are below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 18,733 with the RSI at or above 50.5 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 15,684 will support a bull argument, below this level the Elliott wave cycle will have a neutral bias. Likewise, upside moves that fail at or below USD 19,878 will leave the futures vulnerable to further tests to the downside.
- Near-term price action is bearish, the longer-term Elliott wave cycle remains bullish above USD 15,684 and neutral below. The MA on the RSI implies momentum is weak, whilst the failed upside breakout from the symmetrical triangle suggests that support levels are vulnerable. If we close and hold on the daily timeframe below the daily 200-period MA, it will further weaken the technical.