

Capesize Aug 25 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	17,875		RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is below 50 (47)
- Stochastic is overbought
- Price is above the daily pivot level (USD 17,191)
- We remained bearish based on price yesterday with the futures seeing light bid support due to the faster moving momentum being oversold. However, we noted previously, the move lower was supported by the RSI making new lows alongside price, warning upside moves had the potential to be countertrend in the near-term, making USD 19,512 the key support to follow. A move above this level would warn that the USD 19,900 fractal resistance could be tested, if broken it will put price back in bullish territory. We continued to be cautious on downside moves in the near-term.
- The continued to find bid support with price now above the 8-21 period EMA's, the RSI is below 50 with price and momentum aligned to the buyside.
- A close on the 4-hour candle below USD 17,191 with the RSI at or below 35 will mean price and momentum are aligned to the sell 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 19,512 will leave the futures vulnerable to further tests to the downside.
- Technically bearish, the futures continue to move higher in what looks to be a countertrend move. We are now testing the daily 200-period MA (USD 17,969), this is a benchmark average. A daily close that holds above the average will warn the Fibonacci resistance zone could come under pressure, making USD 19,512 the key resistance to follow. A move above this level will warn that the USD 19,900 fractal resistance could be tested and broken, which would take the technical into bullish territory. Conversely, if rejected, it will imply we could be entering another bear phase lower. We maintain our view that upside moves look like they should be countertrend; however, price is at an inflection point, and needs to either reject or break above the average.