

Capesize Oct 25 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	28,458	R1	29,916	28,900	RSI above 50	
S2	27,776	R2	30,011			
S3	27,379	R3	30,796			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (57)
- Stochastic is above 50
- Price is above the daily pivot level (USD 28,458)
- Technically bullish yesterday, we noted that the symmetrical triangle pattern is no longer in play, as the futures had broken both upside and downside support. Price was supported having held the 55-period EMA (USD 27,263); however, above USD 29,500 the futures would create a third negative divergence with the RSI. Not a sell signal, it warned that we could see a momentum slowdown, meaning we were cautious on upside breakouts. For downside continuation, we would need to see a close that holds at or below the USD 27,263 level. From a technical perspective we noted that we could move higher from here, but the futures would not be considered a 'technical' buy, as momentum suggested we could struggle to hold.
- The futures remain supported but below the USD 29,500 fractal high. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 28,458 with the RSI at or below 51 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 21,002 will support a bull argument, below this level the Elliott wave cycle will have a neutral bias.
- Technically bullish, the futures remain supported with the USD 29,500 fractal high looking like it could be tested and broken. However, as highlighted previously, we have two divergences in play, and a third above USD 29,500. Although not a sell signal, it warns that we could see a momentum slowdown. From a technical perspective, the futures are not considered a buy at these levels, as momentum suggests that upside breakouts could struggle to hold, which would leave the futures vulnerable to a corrective move lower.