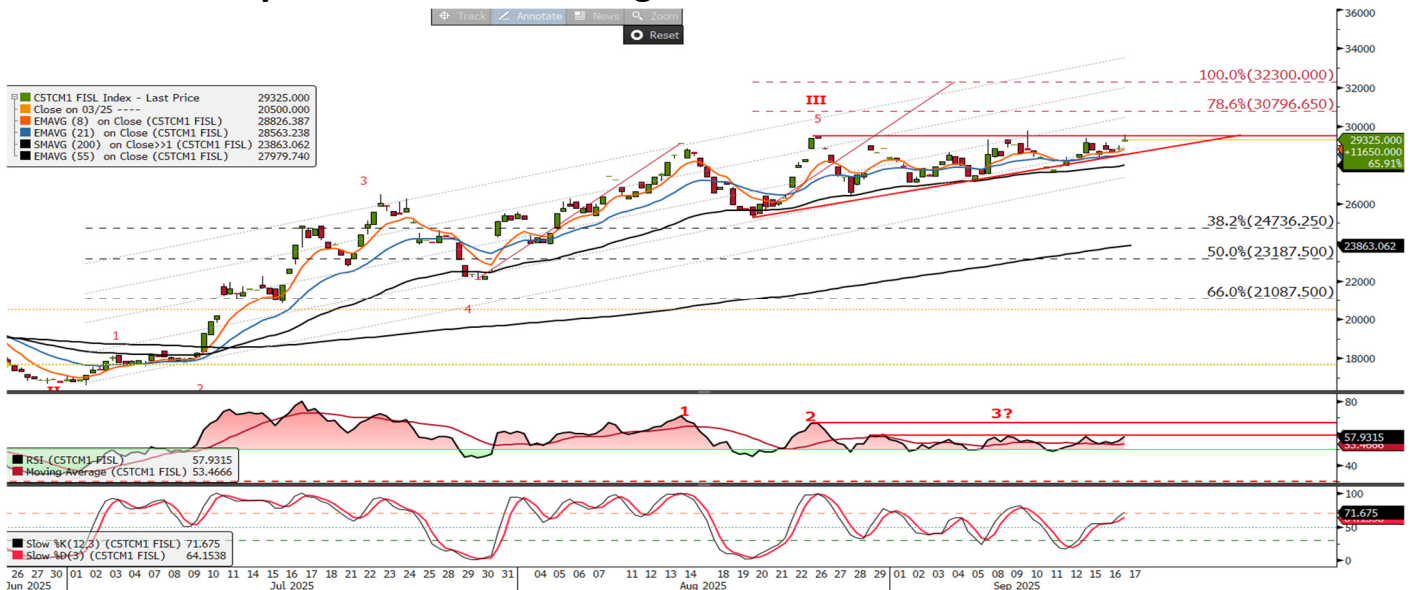


Capesize Oct 25 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	28,908	R1	29,500	29,325	RSI above 50	
S2	28,515	R2	29,616			
S3	27,979	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 28,908)
- Technically bullish on Monday, having held trend support, the USD 29,500 fractal high was coming under pressure. If broken, the futures would be in divergence with the RSI, implying caution on moves above this level, as it warned we could see a momentum slowdown. A close below the trend support line (USD 28,177) would warn that buyside pressure was decreasing, whilst a move below the 55-period EMA (USD 27,764) and the USD 27,250 fractal support, would signal sell side pressure was increasing. With trend support holding, the USD 29,500 resistance looked like it could be tested and broken; However, we remained cautious on upside moves above USD 29,500 due to the divergences coming into play.
- The futures had a small move lower on the 15/09 before moving higher, we have traded to a high of USD 29,750 on the open this morning; however bids have faded a little on the negative divergence. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside..
- A close on the 4-hour candle below USD 28,908 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 21,087 will support a longer-term bull argument, below this level the Elliott wave cycle will have a neutral bias.
- Technically bullish, we noted in the close report yesterday that the rising trend line alongside the USD 29,500 resistance meant that we had an ascending triangle pattern in play. Whilst in the pattern, price action is considered as neutral; however, the triangle does have bullish connotations. Technically, this pattern is more reliable at the beginning of a trend, we have moved in the region of USD 22,000 higher (300%) since Jan, meaning this has the potential to act as a reversal pattern. With the divergences now in play due to the futures trading higher on the open, we maintain a cautious view on upside breakouts. Market bulls will need to be cautious on a close that holds below the trend support line (USD 28,515) as it will warn that sell side pressure is increasing. Longer-term Elliott wave analysis continues to suggest that downside moves look to be countertrend.

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