

Capesize Oct 25 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	29,700	R1	30,258	
S2	29,500	R2	31,651	
S3	29,259	R3	23,300	

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is at 50 (50)
- Stochastic is below 50
- Price is below the daily pivot level (USD 30,258)
- Technically bullish yesterday, the MA on the RSI had flattened, implying momentum was turning neutral. We had fractal support at USD 29,700, polarity support at USD 29,500 and trend support at USD 29,356. Below USD 29,700 would imply buyside pressure was decreasing, whilst a close below USD 29,356 would indicate that sell side pressure is increasing. We noted that for upside continuation we would need to see a close that held above the linear regression line (USD 31,384). The technical was bullish but in divergence, meaning we continued to have a note of caution on upside moves at that point. Price needed to commit to a move above the linear regression line, or see a close below trend support.
- The futures are selling lower having rejected the linear regression line. We are below the 8-21 period EMA's with the RSI neutral at 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 30,258 with the RSI at or above 62.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 21,555 will support a longer-term bull argument, below this level the Elliott wave cycle will have a neutral bias.
- Technically bullish, the MA on the RSI implies that momentum is weakening. Price is now testing the USD 29,700 fractal support, if broken, it will warn that buyside pressure is decreasing. Trend support is now at USD 29,521, whilst polarity support is at USD 29,500, a close below this area will imply sell side pressure is increasing; however, we do have the 55-period EMA at USD 29,274, a close below this average would be preferable. We are moving lower on a negative divergence, meaning we continue to be cautious on upside moves at this point.