

## Capesize Oct 25 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	R1	28,625	RSI below 50	Stochastic oversold
S2	R2			
S3	R3			

### Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (42)
- Stochastic is oversold
- Price is below the daily pivot level (USD 29,766)
- Technically bullish on Friday, the MA on the RSI implied that momentum was weakening. Price was testing the USD 29,700 fractal support, if broken, it would warn that buy-side pressure was decreasing. Trend support is now at USD 29,521, whilst polarity support is at USD 29,500, a close below this area would imply sell-side pressure was increasing; however, we did have the 55-period EMA at USD 29,274, a close below this average would be preferable. We were moving lower on a negative divergence, meaning we continued to be cautious on upside moves at this point.
- We continue to sell lower with price below the support zone highlighted on Friday. We are below the 8-21 period EMA's with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 29,766 with the RSI at or above 60 will mean price and momentum are aligned to the buy-side. Downside moves that hold at or above USD 21,597 will support a longer-term bull argument, below this level the Elliott wave cycle will have a neutral bias.
- The downside move below the USD 29,700 level means that the intraday technical is bearish based on price; however, the longer-term Elliott wave cycle remains bullish above USD 21,597 and neutral below. The futures are testing the USD 28,597 support, this is two standard deviations below the linear regression line, suggesting we are potentially a little overextended to the downside in the near-term. However, the MA on the RSI implies that momentum is weak, whilst the RSI is making new lows, the technical suggests that intraday upside moves could now struggle to hold, meaning we remain cautious on upside moves. Note: if we are entering a higher timeframe correction (not yet confirmed), then the 2 standard deviation support will eventually fail.