Capesize Intraday

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Capesize Nov 25 Morning Technical Comment – 240 Min

Support		Resistance		Current Price	Bull	Bear
S1	27,010	R1	27,983	27,375		RSI below 50
S2	26,981	R2	29,351			
S3	25,250	R3	29,962			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (48)
- Stochastic is below 50
- Price is below the daily pivot level (27,983)
- Technically bearish on Friday, we noted that the futures were yet to close the resistance window, resulting in price reverting back to the 55-period EMA (USD 27,615). A close below the average would target the 200-period MA (USD 26,921), this was also the rising channel support (USD 26,822) making it a key area to follow, as a close below this area would weaken the technical further. Conversely, upside moves above (USD 29,351) would warn that the higher timeframe bullish Elliott wave 5 was in play (rather than a potential wave failure), whilst a move above USD 29,425 would close the bearish window. With the island reversal candle pattern above us (bearish pattern), we continued to be cautious on upside moves whilst below the USD 29,351 - USD 29,425 resistance zone.
- Having futures have seen another small move lower with price now below the 55-period EMA (USD 28,206), we are below the 8-21 period EMA-s supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 27,983 with the RSI at or above 54 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 29,351 will leave the futures vulnerable to further tests to the downside, above this level the technical has a neutral bias.
- Unchanged on the technical this morning. We remain bearish based on price with the MA on the RSI implying that momentum remains weak. The futures are now below the 55-period EMA, warning the 200-period MA (USD 27,010) and the channel support (USD 26,981) could be tested and broken. A close below this area will weaken the technical further. Conversely, a close that holds above the 55-peirod EMA will look to target the upper channel resistance (USD 28,959). With the island reversal candle pattern above us (bearish pattern), we continue to be cautious on upside moves whilst below the USD 29,351 - USD 29,425 resistance zone.