

Capesize Feb 26 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	15,406	R1	18,238	
S2	13,634	R2	18,937	Stochastic oversold
S3	11,377	R3	19,885	RSI below 50

Source Bloomberg

Synopsis - Intraday

- Price is below the 8–21 period EMA's
- RSI is below 50 (28)
- Stochastic is oversold
- Price is below the daily pivot level (16,150)
- Technically bearish on Friday, the MA on the RSI implied that momentum remained weak at that point, whilst Fibonacci projection levels suggested that we had a potential near-term downside target at USD 15,406 for this phase of the cycle. Key resistance was at USD 20,021, a move above this level would warn that the probability of the futures trading to a new low had started to decrease. Lower timeframe Elliott wave analysis suggested that upside moves should be considered as countertrend in the near-term.
- The futures continue to come under light selling pressure, we are below all key moving averages 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 16,150 with the RSI at or above 32.5 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 19,885 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Unchanged on the technical this morning, we remain bearish with Fibonacci projection levels suggesting we have a potential downside target at USD 15,406 for this phase of the cycle. The MA on the RSI has started to flatten, warning sell side momentum could be closing down; if price and momentum become aligned to the buy side, it will leave price vulnerable to an intraday move higher. Key resistance is now at USD 19,885, above this level the probability of price trading to a new low will start to decrease. We maintain our view that lower timeframe Elliott wave analysis warns that intraday upside moves should be considered as countertrend.