

Capesize Feb 26 Morning Technical Comment – 240 Min



Source Bloomberg

Synopsis - Intraday

- Price is above the 8–21 period EMA's
- RSI is above 50 (63)
- Stochastic is overbought
- Price is above the daily pivot level (17,891)
- Technical Outlook on Friday—Bullish Inflection Point. The outlook was bullish based on price action. As noted previously, sustained upside continuation required a move above the 55-period EMA, ideally accompanied by the RSI reclaiming 50. With price advancing on the divergence for three consecutive days, we could confirm that buy-side pressure was increasing on the higher timeframe, warranting continued caution on corrective moves lower. That said, price was currently at an inflection point, trading directly on the 55-period EMA. A failure to hold above the average would leave the market vulnerable to a near-term intraday throwback.
- The futures closed above the average resulting in price trading higher. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 17,891 with the RSI at or below 43.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 16,777 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Bullish. Having gapped higher on the open to trade at USD 19,500 the futures have since seen fading bids. That said, price is above all key moving averages with the RSI reclaiming 50, while the RSI moving average indicates momentum support. With momentum support alongside the three white candle pattern on the daily timeframe, we maintain a cautious approach on corrective moves lower and identify USD 16,777 as a key support level. A break below this level would weaken the emerging bullish structure and reduce the probability of the futures achieving new highs.