

Capesize Feb 26 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1 23,583	R1 24,067	23,625	RSI above 50	Stochastic overbought
S2 22,583	R2 25,083			
S3 21,875	R3 26,091			

Source Bloomberg

Synopsis - Intraday

- Price is above the 8–21 period EMA's
- RSI is above 50 (68)
- Stochastic is overbought
- Price is on/above the daily pivot level (23,625)
- Technical Outlook Wednesday: Bullish. The sustained move above the 200-period MA and divergence failure had signaled a bullish lower timeframe Elliott wave extension, indicating downside moves should be considered as countertrend, making USD 20,915 the key support to follow. A move below this level would weaken the broader structure and warn that the probability of price trading to a new high would be reduced. We noted that based on the fact that we roll at the end of the week with March trading at a premium, the market should be prepared for further wave extensions.
- The futures sold to a low of USD 22,500 before finding bid support, we are above all key moving averages with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 23,62 with the RSI at or below 67 will mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or 71.5 will mean it is aligned to the buy side. Downside moves that hold at or above USD 20,915 will support a bull argument, below this level the technical will have a neutral bias.
- Technical Outlook: Bullish.
- The futures are seeing bid support but currently remain in a corrective phase. Upside moves that close above USD 24,067 will indicate that we are seeing an increase in buy-side pressure, suggesting resistance levels could be tested and broken. Conversely, market buyers should be cautious on a rejection of the USD 24,067 resistance, as it will warn that there could be further downside within the corrective phase, leaving support levels vulnerable in the near-term. The RSI moving average does suggest that we still have momentum support; however we need confirmation from price to indicate we are re-entering bull territory. We maintain our view based on Elliott wave analysis that downside moves should be considered as countertrend.