

Capesize March 26 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	25,657	R1	29,375	
S2	24,362	R2	30,375	RSI above 50
S3	22,606	R3	33,375	Stochastic overbought

Source Bloomberg

Synopsis - Intraday

- Price is above the 8—21 period EMA's
- RSI is above 50 (69)
- Stochastic is overbought
- Price is below the daily pivot level (29,375)
- Technical Outlook Thursday: Bullish. The futures were seeing bid support but remained in a corrective phase. Upside moves that close above USD 24,067 would indicate that we were 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 would warn that there could be further downside within the corrective phase, leaving support levels vulnerable in the near-term. The RSI moving average did suggest that we still have momentum support; however we needed confirmation from price to indicate we are re-entering bull territory. We maintained our view based on Elliott wave analysis that downside moves should be considered as countertrend.
- The futures produced a bullish close warning resistance levels were vulnerable. Price gapped higher on Friday due to the roll into March; however, we are lower this morning. We are above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 29,375 with the RSI at or above 75 will mean price and momentum are aligned to the buy side. . . Downside moves that hold at or above USD 22,606 will support a bull argument, below this level the technical will have a neutral bias.
- Technical Outlook: Bullish.
- Having gapped higher on the roll into March the futures have entered a corrective phase. Elliott wave analysis continues to indicate that downside moves should be considered as countertrend; however, the RSI moving average is flat signaling price is currently seeing a momentum slowdown. The upside gap on has created a mean reversion gap with the 55-period EMA (USD 21,697), the average will respond by moving higher in the coming days, but it does leave price vulnerable to a move lower in the near-term, as it signals the technical is currently a little overextended to the upside.