

Capesize March 26 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1 25,657	R1 28,025	27,625	RSI above 50	Stochastic overbought
S2 24,362	R2 30,375			
S3 22,606	R3 33,375			

Source Bloomberg

Synopsis - Intraday

- Price is above the 8–21 period EMA's
- RSI is above 50 (68)
- Stochastic is overbought
- Price is below the daily pivot level (28,025)
- Technical Outlook Monday: Bullish. Having gapped higher on the roll into March, the futures had entered a corrective phase yesterday. Elliott wave analysis continued to indicate that downside moves should be considered as countertrend; however, the RSI moving average was flat signaling price was seeing a momentum slowdown. The upside gap on had created a mean reversion gap with the 55-period EMA (USD 21,697), we noted that the average would respond by moving higher in the coming days, but it did leave price vulnerable to a move lower in the near-term, as it signaled the technical was currently a little overextended to the upside.
- The futures found light bid support post index yesterday; however, we have slid lower on the open, putting price back at yesterdays levels. We remain above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 28,025 with the RSI at or above 74 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.
- Unchanged on the technical this morning. Elliott wave analysis continues to suggest that downside moves are considered as countertrend, making USD 22,606 the key support to follow. While above this level we remain cautious on corrective moves lower, if broken, then the probability of price achieving new highs will begin to decrease. As highlighted yesterday, although bullish, price is in a corrective phase with a mean reversion gap in play with the 55-period EMA (USD 22,327). This gap is closing, as the average is USD 630 higher than yesterday, but the reversion gap needs to be monitored. If price holds, the average will continue to rise and narrow the gap.