

## Capesize March 26 Morning Technical Comment – 240 Min



Support	Resistance	Current Price	Bull	Bear
S1	25,657	R1	27,041	
S2	24,362	R2	28,490	
S3	22,606	R3	30,375	

Source Bloomberg

## Synopsis - Intraday

- Price is between the 8—21 period EMA's
- RSI is above 50 (63)
- Stochastic is above 50
- Price is below the daily pivot level (27,041)
- Technical Outlook Tuesday: Bullish. Unchanged on the technical yesterday. Elliott wave analysis continued to suggest that downside moves were considered countertrend, making USD 22,606 the key support to follow. While above this level we remained cautious on corrective moves lower, if broken, then the probability of price achieving new highs would begin to decrease. As highlighted previously, although bullish, price was in a corrective phase with a mean reversion gap in play with the 55-period EMA (USD 22,327). The gap was closing, as the average was USD 630 higher than yesterday, but the reversion gap needed to be monitored. If price held, the average will continue to rise and narrow the gap.
- The futures continued to sell lower on the mean reversion ga, we are now between the 8-21 period EMA's with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 27,041 with the RSI at or above 73 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—cautious on moves lower
- The futures remain in a corrective phase with the mean reversion gap narrowing, as price is USD 1,000 lower while the 55-period EMA is now at USD 22,748. Our Elliott wave analysis suggests that downside moves should be considered as countertrend, while price is now testing the Fibonacci support zone and the 21-period EMA, meaning we increase our cautious approach to lower moves at these levels. A failure to trade above the USD 28,490 level would suggest that sell-side pressure remains dominant, leaving support levels vulnerable in the near-term; conversely, a sustained move above this level would suggest we are in a bullish impulse wave 5 for this phase of the cycle.