

## Capesize March 26 Morning Technical Comment – 240 Min



Source Bloomberg

## Synopsis - Intraday

- Price is between the 8—21 period EMA's
- RSI is above 50 (62)
- Stochastic is below 50
- Price is on/above the daily pivot level (26,883)
- Technical Outlook Wednesday: Bullish—cautious on moves lower. The futures remained in a corrective phase with the mean reversion gap narrowing, as price had moved USD 1,000 lower while the 55-period EMA was at USD 22,748. Our Elliott wave analysis suggested that downside moves should be considered as countertrend, with price testing the Fibonacci support zone and the 21-period EMA, we increased 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 remained dominant, leaving support levels vulnerable in the near-term; conversely, a sustained move above this level would suggest we were in a bullish impulse wave 5 for this phase of the cycle.
- The Fibonacci support zone held yesterday resulting in price trading to a high of USD 27,750. Price has come under light pressure this morning meaning we remain between the 8-21 period EMA's. The RSI is above 50 but price and momentum are aligned to the sell side, as the previous candle closed below the daily pivot level.
- A close on the 4-hour candle above USD 26,883 with the RSI at or above 47 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
- Price is below the USD 28,490 level, meaning we remain within a bullish throwback at this point. The RSI moving average implies momentum is weak; however, price held the Fibonacci support zone and 21—period EMA previously, while the mean reversion gap has narrowed and remains stable. Our Elliott wave analysis suggests that downside moves should be considered as countertrend, meaning we continue to be cautious on downside moves. From a technical perspective, the futures need to see a sustained move above USD 28,490 to signal we are in a bullish impulse Elliott wave 5.