

## Capesize March 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	28,793	R1	29,666		RSI above 50	Stochastic overbought
S2	27,460	R2	31,496			
S3	25,830	R3	33,211			

Source Bloomberg

## Synopsis - Intraday

- Price is between the 8–21 period EMA's
- RSI is above 50 (57)
- Stochastic is overbought
- Price is below the daily pivot level (29,666)
- Technical Outlook Tuesday: Caution—Negative divergence
- Unchanged yesterday, we remained in a bullish trending environment with the RSI in divergence with price. From a technical perspective, the divergence suggested caution on upside moves at those levels. As highlighted previously, the divergence was a warning, a close that held below trend support at USD 29,101 would indicate sell side pressure was increasing, while a move below USD 27,460 would reduce the probability of price trading to a new high. At that point, we were yet to see a bullish Elliott wave extension.
- The futures are selling lower on the divergence with price below the trend support line at USD 29,678, implying sell side pressure is weakening. We are 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 29,666 with the RSI at or above 67.5 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 27,460 will support a bull argument, below this level the technical will have a neutral bias.
- Intraday Technical Outlook: Sell side pressure increasing
- The March futures are selling lower on the negative divergence with the RSI, resulting in price closing below the trend support line at USD 29,678, signaling an increase in sell-side pressure. The downside move means that the USD 27,460 Fibonacci support is now in focus, if broken, then the probability of price trading to a new high will begin to decrease. Conversely, throwbacks that hold above USD 27,460 will imply that there is an underlying support in the market, warning resistance levels will remain vulnerable. The RSI is currently making new lows alongside price, indicating we have momentum confirmation to the downside.