Capesize Intraday

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Capesize Aug 26 Morning Technical Comment – 240 Min

Support		Resistance		Current Price	Bull	Bear
S1	34,566	R1	35,525	35,250	RSI above 50	
S2	33,373	R2	36,525			
S3	32,216	R3	38,415			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (65)
- Stochastic is above 50
- Price is above the daily pivot level (34,566)
- Intraday Technical Outlook Previously: bullish throwback
- We noted on Friday that the bullish momentum confirmation previously was supported by the RSI breaking the 70 level, signaling buyside pressure was increasing, warning downside moves had the potential to be countertrend. We highlighted a small rising channel while price and momentum continued to conflict. A close below the channel support line at USD 34,415 would also mean that price and momentum were aligned to the sell side, implying that support levels could come under further pressure in the near-term. We identified USD 29,645 as the key support to follow, if breached, then the probability of price trading to a new high would begin to decrease. Technically, we were not yet out of the corrective phase; however, we maintained our view that downside moves should be considered as bullish throwbacks, rather than bearish in the near-term.
- The futures look to have seen a false downside breakout, as bid support means price is back in the rising channel. We are above all key moving averages supported by the RSI above 540, intraday price and momentum is conflicting, as the RSI was below its average on the previous candles close.
- A close on the 4-hour candle above 34,566 with the RSI at or above 66 would mean price and momentum are aligned to the buyside; likewise, a close below this level with the RSI at or below 61.5 will mean it is aligned to the sell side. Upside moves that fail at or below USD 36,525 would warn that there could be a larger corrective phase coming into play.
- Intraday Technical Outlook: Bullish throwback
- The downside fakeout is warning of underlying support in the market. Our Elliott wave analysis continues to suggest that downside moves look like they should be considered as countertrend, providing throwbacks hold above the USD 29,645 level. A close above the channel resistance line at USD 35,525 will signal an increase in buyside pressure, warning the USD 35,750 and USD 36,525 resistance levels could be tested and broken. We continue to identify USD 36,525 as the key longer-term resistance, as a rejection at or below this level will signal a more complex corrective phase.