Capesize Intraday

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Capesize Aug 26 Morning Technical Comment – 240 Min

Support		Resistance		Current Price	Bull	Bear
S1	31,333	R1	31,762	31,625	Stochastic oversold	RSI below 50
S2	29,687	R2	33,631			
S3	28,506	R3	34,175			

Source Bloomberg

Synopsis - Intraday

- Price is below the 8—21 period EMA's
- RSI is below 50 (38)
- Stochastic is oversold
- Price is above the daily pivot level (31,333)
- Intraday Technical Outlook Previously: Sell side pressure increasing.
- We noted yesterday that the RSI had held below the 40 level resulting in the 30 level now being breached, this signaled that sell side pressure continued to increase, warning upside moves should be considered as countertrend in the near-term. Downside moves that breach the USD 29,687 would reduce the probability of price trading to a new high, this would further weaken the technical.
- The futures are seeing light bid support but remain below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above 31,333 with the RSI at or above 40 would mean price and momentum are aligned to the buyside; likewise, a close below this level would mean it is aligned to the sell side. Upside moves that fail at or below USD 34,175 would warn that the corrective cycle was becoming more complex
- Intraday Technical Outlook: Momentum trend break
- The RSI is now above its trend resistance line, warning that we could see bid support in the futures in the near-term; however, price will need to close and hold above its resistance line at USD 31,762. If we do, it will warn that the USD 34,175 level could come under pressure. With the RSI breaching the 30 line previously, we maintain a cautious approach to higher moves while below the USD 34,175 level. If the USD 34,175 resistance is breached, market sellers should act with caution, as it would warn that the probability of price trading to a new low will start to decrease, strengthening the buyer's argument. We are seeing signs of momentum support but continue to be cautious on higher moves.