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Capesize Intraday

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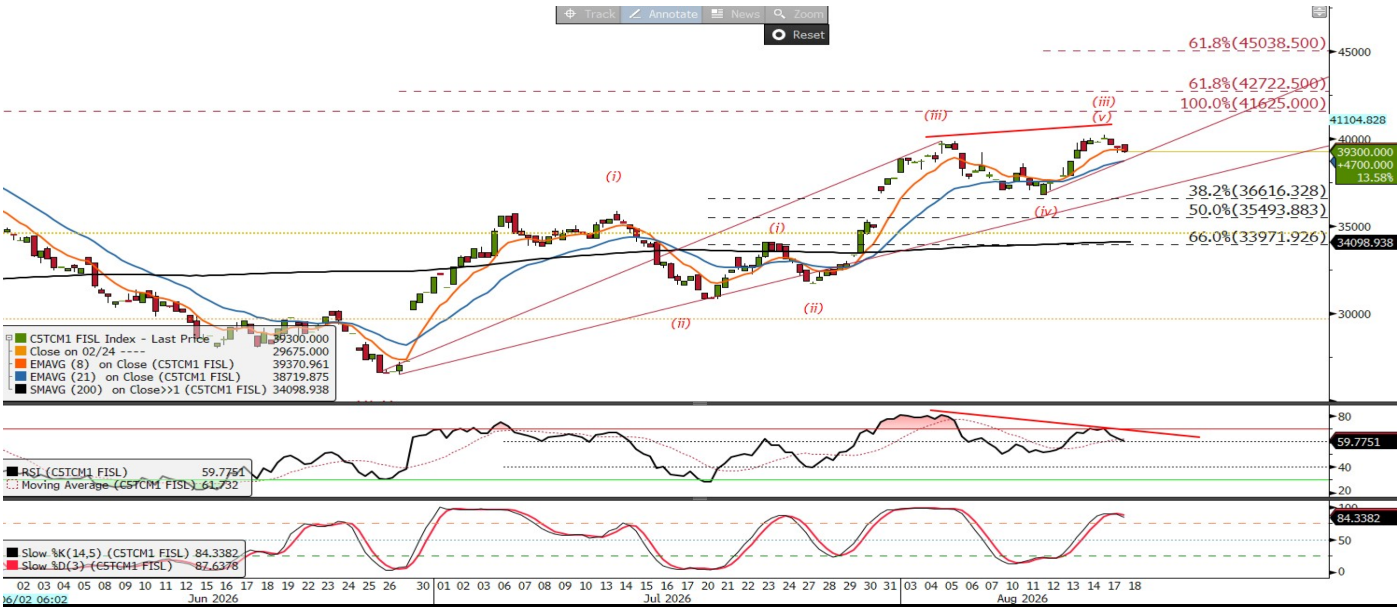
Capesize Sep 26 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	36,850	R1	39,650	39,300	RSI above 50	Stochastic overbought
S2	36,616	R2	41,625			
S3	35,493	R3	42,722			

Synopsis - Intraday

Source Bloomberg

- Price is between the 8—21 period EMA's
- RSI is above 50 (59)
- Stochastic is above overbought
- Price is below the daily pivot level (39,650)
- Intraday Technical Outlook Previously: resistance vulnerable
- We noted yesterday that although the wave 4 overlapped the wave 1 we had seen bullish price action. The move above USD 34,175 signalled that buyside pressure was on the increase, warning that the USD 41,625 fractal high was vulnerable. Fibonacci projection levels based off the higher timeframe Elliott wave cycle suggest we have a potential upside target at USD 42,722; however, the lower timeframe cycle implied that we could trade as high as USD 45,038. Downside moves were considered as countertrend at this point.
- The futures have seen a small move lower, price is between the 8-21 period EMA's with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below 39,650 with the RSI at or below 59.5 would mean price and momentum are aligned to the sell side; likewise, a close above this level would mean it is aligned to the buyside. Downside moves that hold at or above USD 33,971 will support a bull argument, below this level the technical will have a neutral bias.
- Intraday Technical Outlook: Downside moves considered as countertrend.
- The futures are seeing light selling pressure due to a negative RSI divergence. However, the 5-wave pattern higher that started on the 17/07 would suggest that we are looking at a bullish wave 3 extension, indicating downside moves should be considered as countertrend. Throwbacks that trade below the USD 36,850 fractal low will signal completion of the extended wave 3, confirming price has entered a corrective wave 4. Potential for momentum weakness due to the divergence within a broader bullish trend.

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