

Capesize Nov 26 Morning Technical Comment – 240 min



Support	Resistance	Current price	Bull	Bear
S1	R1	35,325		RSI below 50
S2	R2			
S3	R3			

Synopsis- Intraday

- Price is between the 8-21 period EMA's
- RSI below 50 (46)
- Stochastic is above 50
- Price is above the daily pivot level (USD 34,500)
- Intraday Technical Outlook Previously: Upside moves considered as countertrend
- The upside move in the futures yesterday means that price is above the daily 200-period MA at USD 34,425, a daily close and hold above this level would suggest that buy-side pressure is increasing, implying there is underlying support in the market. Our intraday Elliott wave analysis continues to suggest that upside moves should be considered as countertrend, providing we remain below the USD 38,290 resistance; if broken, then the probability of price trading at a new low would start to decrease. Countering this, the RSI is at 43, if it moves above 50, while price is below the USD 42,175 fractal resistance, it will indicate that we have a negative reversal pattern in play, warning buy-side momentum could slow down. We are seeing bid support, while the RSI is above 40, meaning resistance levels could come under pressure in the near-term, in what looks to be a countertrend move higher.
- The futures remain supported with price now trading in the Fibonacci resistance zone. Price is between the 8-21 period EMA's with the RSI above 50, intraday price and momentum are aligned to the buy-side.
- A close on the 4-hour candle below USD 34,500 with the RSI at or below 29.5 would mean price and momentum are aligned to the sell-side. Upside moves that fail at or below USD 38,290 would suggest that support levels remain vulnerable, above this level the probability of the futures trading at a new low would start to decrease.
- Intraday technical outlook: Upside moves considered as countertrend
- The futures remain supported having closed above the daily 200-period MA at USD 33,545, if we hold above the average then resistance could come under further pressure; conversely, caution is warranted on a close back below the average. Like the average, the RSI is now above 40, if we hold above it, then it will imply that momentum support is entering the market. However, based on the strength of the initial move lower, and our Elliott wave analysis, we maintain a cautious approach to higher moves while below USD 39,730. Above USD 39,730 then the probability of price trading at a new low would start to decrease. The counter argument to a move above USD 39,730 is that if the RSI moves above 50, a negative reversal pattern will come and remain in play while we are below the USD 42,175 level. This reversal pattern is a condition that would warn that support is vulnerable. The ADX is now at 35 and moving lower, market sellers will need to act with caution if price continues to rise with the ADX turning higher, as this would be a signal that price could be entering a bullish trending environment.

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