

Capesize Nov 26 Morning Technical Comment – 240 min



Support	Resistance	Current price	Bull	Bear
S1	R1	35,175		Stochastic overbought
S2	R2			
S3	R3			

Synopsis- Intraday

- Price is below the 8-21 period EMA's
- RSI below 50 (45)
- Stochastic is overbought
- Price is below the daily pivot level (USD 35,958)
- Intraday technical outlook previously: Supported
- The futures remained above the daily 200-period MA at USD 33,746 yesterday with the daily RSI reclaiming 40. However, the intraday RSI has started to find resistance below the 60 level, resulting in an intraday move lower on the open. A close below the low of the last dominant bull candle at USD 34,375 would signal that sell side pressure is on the increase, leaving the USD 33,002 support vulnerable. This was one of two key levels on the technical, as throwbacks that held at or above USD 33,002 would warn that resistance levels could come back under pressure. The second is the USD 38,290 resistance, if rejected, then we target the USD 33,002 support; conversely, if broken, it would suggest that we were potentially in the process of entering a higher timeframe corrective phase. We continued to monitor the index, as highlighted yesterday historically, when the RSI had tested and held the 16 level, upside moves had been aggressive. This did warn that futures resistance levels remained vulnerable; however, we needed to see a continuation of bullish momentum on the index, as the carry has quickly widened to USD 5,480. The daily RSI was going to need to hold above the 40-level supported by the intraday RSI reclaiming 60, as momentum support would be key to upside continuation. Conversely, caution was warranted if the daily RSI starts to close and hold below 40, as this would indicate momentum weakness.
- The futures remained in a corrective phase yesterday with the futures currently holding above the USD 34,848 Fibonacci support. We are below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 35,950 with the RSI at or below 45.5 would mean price and momentum are aligned to the sell-side; likewise, a close above this level with the RSI at or above 50 would mean it is aligned to the buy-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 within this phase of the cycle would start to decrease.
- Intraday Technical Outlook: Supported
- The Daily RSI closed on the 40 level yesterday (39.75) while the intraday price remains above the low of the last dominant bull candle at USD 34,375. A close below USD 34,375 would signal sell side pressure was on the increase, warning the USD 30,002 support could come under pressure; if broken, then market buyers should act with caution, as it would support the bearish lower timeframe Elliott wave cycle. The index slowed yesterday, with price turning lower today, so we are seeing signs of weakness; however, while the futures are above the USD 34,375 level, we remain supported. As noted yesterday, for upside continuation, we will need to see the daily RSI close and hold above 40, supported by the intraday RSI reclaiming and holding the 60 level.

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