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## Capesize v Panamax Cal 23

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Capesize v Panamax Cal 23

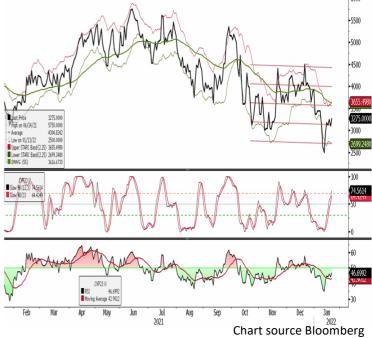
The spread has recently found support on the back of an oversold stochastic whilst being two standard deviations away the 3-month regression line. We remain below the 55-period EMA with price looking to target the USD 3,500 level in the near-term (regression line), this is also in the area of the upper STARC band (Stoller Average Range Channel) making it a key area of resistance

The trend is bearish based on the spread making a series of lower lows, this is supported by the RSI which is below 50. With the stochastic nearing overbought territory momentum could soon look vulnerable to a further test to the downside. However, this would put price near historical lows making it a natural area of support.. Suggesting value comes from the buyside at lower levels.



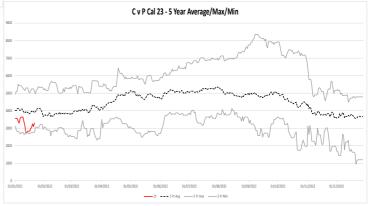
We have added the 5-year average chart to give a less volatile picture and illustrate the shape of the seasonality chart.

If the technical is correct and we see some form of pullback it would support the theory that we could see some good buying support at lower levels, as the Average 5year value (shape) would suggest this spread could see an increase in valuation during the first half of 2022



Illustrated on the left is the 3-year seasonality chart alongside the maximum an minimum values during this period. January can be volatile month for the spread with a range of over USD 2,000. We noted on the technical that the spread was looking to target the USD 3,500 linear line. This is about USD 350 below the 3 year average value; however, mean valuations do drop to this level near the end of January.

The 3 year seasonality chart would suggest the spread is a little undervalued



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