



Capesize Technical Report

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Index

The index held support last week with momentum now improving based on price. The trend remains technically bearish, upside moves that fail at or below USD 16,337 remain vulnerable to further tests to the downside. However, above this level there is a neutral bias in the market with the index targeting the USD 21,181 fractal resistance. Downside moves that close below USD 8,019 would indicate momentum is weakening based on price.

March 22

The March futures are now considered bullish as the roll has put price above USD 14,750. Corrective moves lower that hold above USD 12,852 will support a bull argument; However, momentum could be vulnerable to a test to the downside if the stochastic moves higher tomorrow. We also have a mean reversion gap on the intraday technical with the 21 period EMA, this would also suggest that the market needs to either consolidate or correct. Upside moves that close above and hold above the 55-period MA (SD 19,749) will support a bull argument.

Q2 22

Last week we did not consider the futures a technical sell due to the seasonality chart suggesting we could move higher; However, we unfortunately had a neutral bias due to price being over USD 9,600 above 3-year seasonality chart, this proved to be incorrect with price moving in USD 2,500 higher. The technical has made a higher high supported by the RSI above 50 and is now regarded as being bullish, we have a potential upside target at USD 27,623. Corrective moves lower that hold at or above USD 22,053 will support a bull argument, below this level there is a neutral bias on the technical.

Cal 23

The futures remain technically bullish and in trend having traded above the USD 19,875 and USD 20,250 resistance levels. Corrective moves lower that hold at or above USD 19,509 will support a bull argument, below this level the technical will have a neutral bias. We now have a negative divergence with the RSI warning of the potential for momentum slow down, this will need to be monitored. However, wave analysis would suggest we could trade as high as USD 21,700.

Capesize Index



	Support	Resistance	Current Price	Bull	Bear	
S1	6,382	R1	10,753	Stochastic oversold	RSI below 50	
S2	5,045	R2				12,376
S3	2,359	R3				14,058
					16,337	

Source Bloomberg

Synopsis - Intraday

- Price is between the 8-21 period EMA's
- RSI is below 50 (34)
- Stochastic is oversold
- The index held support with momentum now improving based on price. As noted last week due to the low pricing of the index it was not considered a technical sell. The RSI is below 50 with the index now between the 8- 21 period EMA's
- Upside moves that fail at or below USD 16,337 remain vulnerable to further tests to the downside, above this level there is a neutral bias on the technical with the index targeting the USD 21,181 fractal resistance, this would take it into bull territory.
- A close below USD 8,019 would indicate that momentum is weakening based on price. Downside moves below USD 5,826 would be technically bearish; however, like last week the downside would be limited, meaning it would not be regarded a technical sell.
- Technically bearish, key resistance is at USD 16,337 and USD 21,181.

Capesize March 22 (1 Month forward)



Support	Resistance	Current Price	Bull	Bear	
S1	16,388	R1	19,750	18,350	RSI above 50
S2	15,600	R2	21,113		
S3	15,389	R3	21,900		

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (51)
- Stochastic is above 50
- The roll in the futures means we've made a higher high, the daily technical is now bullish based on price. The futures are above the 8-21 period EMA's Supported by the RSI about 50.
- Downside moves that close below USD 16,433 would warn that momentum is weakening based on price.
- Corrective moves lower that hold at or above USD 12,852 will support a bull argument, below this level the futures will have a neutral bias. Only below USD 9,750 is the technical considered as bearish.
- The RSI is above 50 at 51 with the stochastic nearing overbought territory, if the stochastic moves into overbought territory with the RSI near neutral at 51, then momentum will be vulnerable to a test to the downside.
- Upside moves that close above and hold above the 55-period moving average will support a bull argument. Likewise, if the futures reject this level we could see a technical pullback.
- Technically bullish the intraday futures have created a mean reversion gap with the 21-period EMA, warning we are vulnerable to a technical pullback.

Capesize Q2 22



	Support	Resistance	Current Price	Bull	Bear
S1	23,220	R1	24,837	RSI above 50	Stochastic overbought
S2	22,725	R2	26,400		
S3	22,053	R3	27,623		

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is above 50 (56)
- Stochastic is overbought
- We had the technical as neutral last week due to the futures being USD 9,634 above the 3-year average value. We noted the seasonality implied the futures could be about to turn bullish with April and June often being bullish months, meaning the futures looked overvalued, but were not considered a technical sell. This proved to be incorrect with price now USD 2,500 higher. The futures are above all key moving averages supported by the RSI above 50.
- Corrective moves lower that hold out or above USD 22,053 will support a bull argument, below this level the technical will have a neutral bias.
- The futures have made a higher high supporting a bull argument, this would suggest that if we trade above USD 24,837 then we will target USD 26,400 and potentially USD 27,623.
- Technically bullish and in trend with a potential upside target as high as USD 27,623 within this move.

Capesize Cal 23



	Support	Resistance	Current Price	Bull	Bear
S1	19,808	R1	21,137	RSI above 50	Stochastic overbought
S2	19,509	R2	21,700		
S3	19,274	R3	22,503		

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (57)
- Stochastic is overbought
- Last week we noted that the technical was neutral/bullish with upside moves above USD 19,875 signalling the USD 20,250 fractal high could be tested, which has been the case. The futures are above all key moving average is supported by the RSI above 50.
- Corrective moves lower that hold at or above USD 19,509 will further support a bull argument, below this level the technical will have a neutral bias.
- The new high means we now have a negative divergence with the RSI, not a sell signal it does warn of the potential for a momentum slow down.
- Elliot wave analysis would suggest we have a potential near-term upside target for this phase as high as USD 21,700.
- Technically bullish and in trend, the divergence will now need to be monitored.

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