



Capesize Technical Report

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Index

The index has traded above the USD 21,181 fractal resistance meaning it is now in bullish territory, a close below USD 17,634 will warn that momentum is weakening based on price, indicating the USD 13,596 fractal support could be tested. Key focus should be on the RSI, if it goes above and holds above the 64 level then it will have bullish implications going forward, if resistance holds then we are vulnerable to a corrective phase. Last year the RSI resistance held in early March before breaking it in early April.

April 22

On the last report we noted that the futures should trade above the USD 30,200 level as we had started a new intraday bull cycle. The futures have since rallied over USD 4,500. The technical is bullish supported by the RSI above 50; however, a series of negative divergences on the intraday technical would suggest the futures are no longer considered to be a technical buy as we are now vulnerable to a technical pullback, making USD 21,233 the key support going forward.

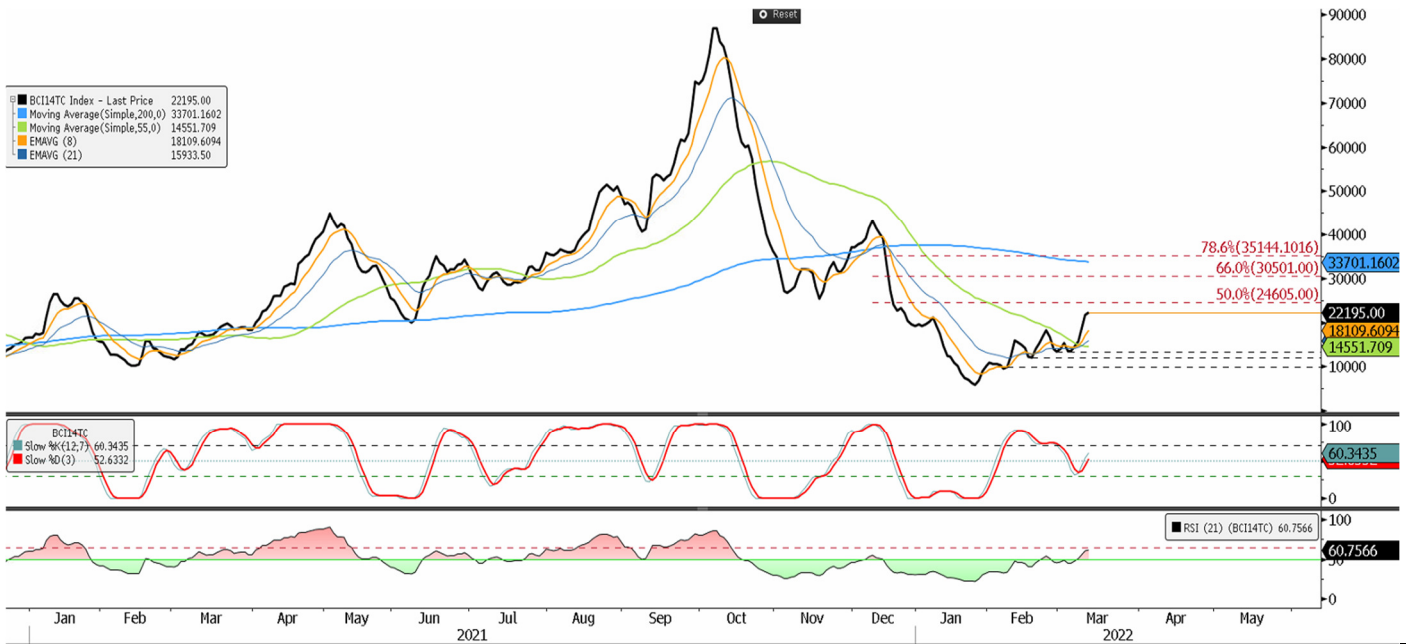
Q2 22

As previously noted, the futures looked to be in an extended wave 3 resulting in the futures trading USD 4,000 higher. Price remains technically bullish above all key moving averages supported by the RSI above 50. Based on our wave analysis we now target USD 37,125 for this phase of the cycle. Downside moves that hold at or above USD 27,685 will support a bull argument, they should also be countertrend, below this level the technical will have a neutral bias.

Cal 23

Technically bullish and in trend with price above the 8-21 period EMA's and the 55-period MA. The futures are struggling around this USD 21,700 resistance level with the RSI in divergence, warning of the potential for a momentum slowdown soon. Downside moves that hold at or above USD 20,475 will support a bull argument, below this level the futures will have a neutral bias. Intraday Elliott wave analysis is less clear, but the 30 – 60 period EMA's remain well spaced on the daily chart, suggesting the trend remains stable at this point.

Capesize Index



Support	Resistance	Current Price	Bull	Bear
S1	R1	22,195	RSI above 50	
S2	R2			
S3	R3			

Source Bloomberg

Synopsis - Intraday

- Price is above the 8-21 period EMA's
- RSI is below 50 (60)
- Stochastic is above 50
- The index continues to move higher with price now above the USD 21,181 fractal resistance, meaning the Index is now bullish. Price is above the 8-21 period EMA's and the 55-period MA supported by the RSI above 50.
- A close below USD 17,634 will mean that momentum is weakening based on price, warning the USD 13,596 fractal support could be tested. Below this level the technical will be bearish.
- Price is above the 55-period MA with the 200-period MA (USD 33,701) making this the next logical upside target.
- The RSI is currently at 60.75, as noted March, August, and September 2021, if the RSI goes above and holds above the 64 level it will have bullish implications going forward. If the RSI fails at or below this level, then we have the potential for a technical pullback.

Capesize April 22 (1 Month forward)



	Support	Resistance	Current Price	Bull	Bear
S1	25,346	R1	30,750	RSI above 50	Stochastic overbought
S2	23,600	R2			
S3	21,232	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (65)
- Stochastic is overbought
- On the last report we noted that the new high in the futures meant we had started a new bull cycle, suggesting we should trade above the USD 30,200 level. Price is now USD 4,500 higher at USD 30,750, having traded to a high of USD 31,000 on the 10/03/22. The futures are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 21,232 will support a bull argument, below this level the technical will have a neutral bias.
- Near-term resistance is at USD 33,980, upside moves above this level will target the USD 37,200 level.
- The intraday technical continues to produce negative divergences with the RSI. This is not a sell signal; it is a warning of the potential for a momentum slowdown.
- Technically bullish but not considered a technical buy at this point due to the continued divergences in the market. We are currently vulnerable to a technical pullback.

Capesize Q2 22



	Support	Resistance	Current Price	Bull	Bear
S1	30,187	R1	34,450	RSI above 50	Stochastic overbought
S2	29,125	R2	37,125		
S3	27,685	R3	40,500		

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is above 50 (64)
- Stochastic is above overbought
- We previously noted that the futures looked to be on an extended wave 3 and this appears to be the case, the futures have now traded above our upside target of USD 32,350, a move of over USD 4,000. Price is above all key moving averages supported by the RSI above 50.
- Corrective moves lower that hold at or above USD 27,685 will support a bull argument, below this level the technical will have a neutral bias.
- The futures are currently correcting/consolidating, if our wave analysis is correct then we believe the futures should trade above USD 37,125 within this phase of the cycle. This would suggest that corrective moves lower should be considered to be countertrend.
- Technically bullish, price is potentially in the early stages of a small corrective phase, we have now confirmed that we are on a bullish Elliott wave 3, meaning downside moves should be against the trend. Suggesting upside resistance levels could be tested.

Capesize Cal 23



Support	Resistance	Current Price	Bull	Bear
S1	R1	21,475	RSI above 50	Stochastic oversold
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (58)
- Stochastic is overbought
- Technically bullish on the last report with the potential to trade to a new high, which has been the case. Price remains above all key moving averages supported by the RSI above 50.
- The futures continue to test the USD 21,700 resistance with price failing to hold above it for any period.
- The RSI is in divergence with the stochastic in overbought territory, momentum is suggesting that price is vulnerable to a technical pullback.
- Downside moves that hold at or above USD 20,475 will support a bull argument, below this level the technical will have a neutral bias.
- Intraday Elliott wave analysis on the Cal is unclear, the futures are potentially on a wave 3 of this phase but there are so many small waves it is hard to count. However, the longer period EMA's are well spaced (30-60 period) which would suggest that the trend is stable. The divergence is a concern and will need to be monitored, as we could see some form of a technical pullback soon.

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