



Capesize Technical Report

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

Index

The index is technically bullish with price above the 8-21 period and 55-period moving averages, supported by the RSI above 50. The RSI was in focus last week with 64 being a key level to follow, based on previous performances the index can often go on a bullish run above this level. Unfortunately, the RSI got to 62.5 before the index entered a corrective phase. Last year we did not break the 64 level until early April, however we should be monitoring this now as it looks like it could be coming into play. Downside moves below USD 13,596 will create a lower low and be bearish.

April 22

Last week we noted the futures were vulnerable to a technical pullback due to an intraday divergence and this has been the case. The technical pullback has held above the USD 25,346 Fibonacci level supported by the RSI above 50. Intraday Elliott wave analysis would suggest we completed a 5-wave cycle last week, meaning upside moves above USD 31,000 would imply we have started a new cycle/phase. Key support is at USD 21,232, corrective moves lower that hold at or above this level will support a bull argument, below this level the technical will have a neutral bias.

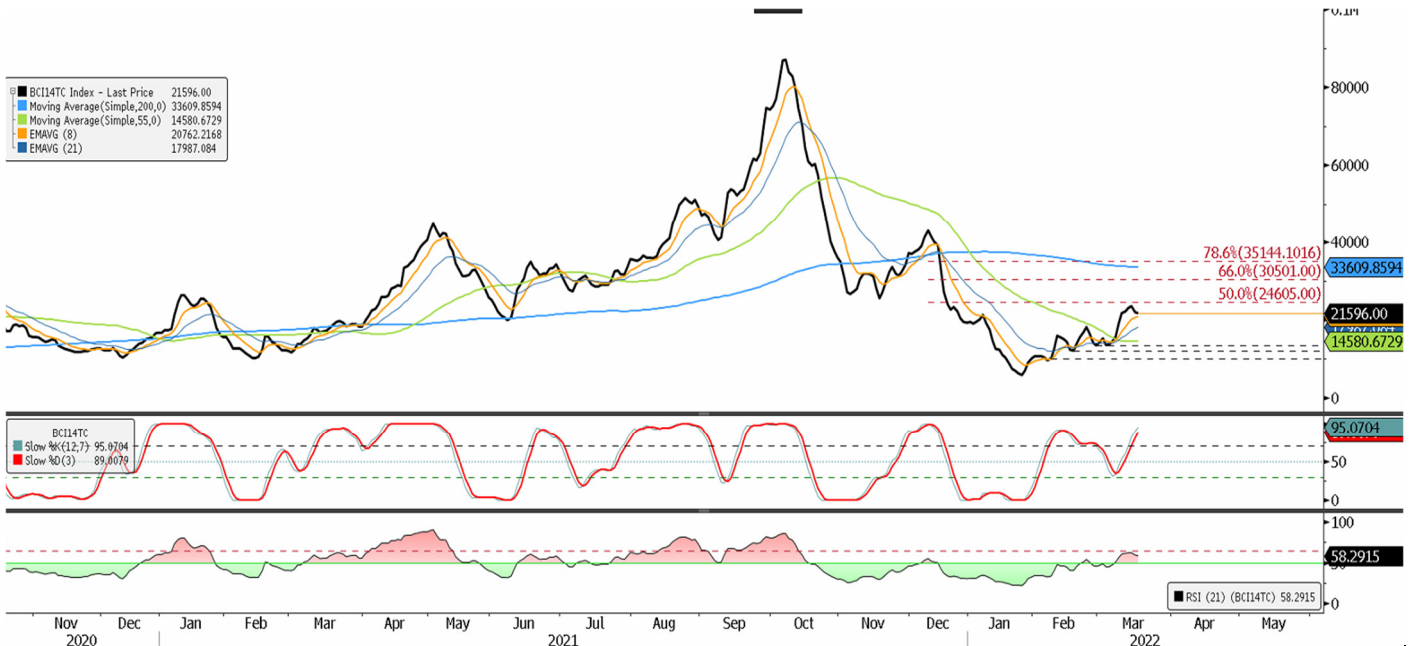
Q2 22

On the last report we noted the futures were potentially in the early stage of a corrective phase which our analysis suggested would be countertrend. The downside move held above our key support resulting in the futures moving higher, we now target the USD 33,625 high. If we fail to make a new high we remain in what would become a complex wave 4, meaning downside moves should still be countertrend. Below USD 27,685 the futures will have a neutral bias.

Cal 23

The divergence last week had warned that the futures were vulnerable to a technical pullback with the Elliott wave count unclear, however well-spaced moving averages had suggested the trend was stable. The corrective move was deep meaning we now have a neutral bias, but price held above the 55-period EMA, resulting in the futures moving higher. Price is now looking to test the USD 21,530 resistance, if it holds then the futures will be vulnerable to further tests to the downside, if it is broken the technical will have a bull bias meaning we target the USD 22,125 high.

Capesize Index



	Support	Resistance	Current Price	Bull	Bear
S1	13,596	R1	24,605	RSI above 50	Stochastic overbought
S2	12,000	R2	30,501		
S3	9,521	R3	35,144		

Source Bloomberg

Synopsis - Intraday

- Price is above the 8-21 period EMA's
- RSI is below 50 (58)
- Stochastic is overbought
- Technically bullish last week with the index above short- and medium-term moving averages, suggesting we could target the 200-period MA at USD 33,609. The futures have failed to trade above the resistance at this point with price producing a small technical pullback; however, the RSI is still above 50.
- Upside moves above USD 24,605 will target the USD 30,501 and USD 33,609 levels. Downside moves below USD 13,596 will create a lower low and be considered bearish.
- The RSI traded to a high of 62.5 before pulling back to 58, as noted last week, if the RSI goes above and holds above 64, we have the potential to see the index go on a bullish run. This is based on past performance and is not a guarantee it will do the same again. Either way it will need to be monitored.
- Technically bullish supported by the RSI above 50, price now needs to break the near-term resistance level.

Capesize April 22 (1 Month forward)



Support		Resistance		Current Price	Bull	Bear
S1	25,346	R1	31,000	28,875	RSI above 50	
S2	23,600	R2	33,980			
S3	21,232	R3	35,548			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (59)
- Stochastic is above 50
- Last week we noted that the futures had produced a negative divergence with the RSI leaving it vulnerable to a technical pullback resulting in the futures correcting around USD 5,000. We are USD 1,000 higher today with price above the 8-21 period EMA's supported by the RSI above 50.
- The downside move held above the USD 25,346 support, meaning we now target the USD 31,000 high, further resistance is at USD 33,980.
- Downside moves that hold at or above USD 21,232 will support a bull argument, below this level the futures will have a neutral bias.
- Intraday Elliott wave analysis would suggest we have completed as small cycle/phase, upside moves above USD 31,000 would imply that we have started a new intraday wave cycle.
- Technically bullish with key support at USD 21,232 and resistance at USD 31,000.

Capesize Q2 22



	Support	Resistance	Current Price	Bull	Bear
S1	30,187	R1	33,625	RSI above 50	
S2	29,125	R2	34,450		
S3	27,685	R3	37,125		

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is above 50 (60)
- Stochastic is above 50
- As highlighted last week the futures looked to be in the early stages of a corrective phase in what looked to be an extended Elliott wave 3, meaning downside moves should be considered as countertrend. The futures did move lower with price holding above the 21-period EMA keeping the technical in bull territory. Price is now above all key moving averages supported by the RSI above 50.
- The futures should now target the USD 33,625 high, failure to do so would suggest we are in a complex wave-4 for this phase of the cycle which would again suggest that downside moves are likely to be countertrend based on our Elliott wave analysis.
- Upside moves above USD 33,625 will target the USD 34,450 and USD 37,125 resistance levels. Likewise, 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.
- Technically bullish and in trend, the futures should now target the USD 33,625 high.

Capesize Cal 23



Support	Resistance	Current Price	Bull	Bear
S1	R1	21,450	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
- We highlighted our concerns regarding the divergence last week as it warned that we could see some form of technical pullback. The futures did trade below the USD 20,475 level meaning the technical has a neutral bias. We also noted that the intraday technical was not clear but longer period moving averages (30-60) were well spaced, suggesting the trend was stable. The pullback held the 55 period EMA before moving higher.
- Upside moves that fail at or below USD 21,530 will leave the technical vulnerable to further tests to the downside, above this level the futures will target the USD 22,125 high.
- The RSI continues to hold above the 50 level; however, a new high will create a second negative divergence, not a sell signal it will warn that we could potentially see another pullback that will trade below the USD 20,375 fractal support.
- Technically bullish but with a neutral bias, the USD 21,530 level is looking like it could be tested, if broken we have a bullish bias once again.