



# Capesize Technical Report

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## Index

The index remains technically bullish but is now in a corrective phase as the RSI failed to trade above the 64 level. Downside moves below USD 16,933 would mean the technical has a neutral bias, only below USD 13,414 is the index bearish. The RSI is now at 49 (near neutral) with the stochastic overbought, momentum is vulnerable to a test to the downside; however, if the RSI can go above and hold above the 50 level the stochastic is less relevant. We are seeing a momentum slowdown today based on price (USD 629 lower today compared to over USD 2,000 the previous day). Upside moves above USD 20,562 will mean that momentum is improving based on price. Technically bullish, price is nearing a key support level with momentum looking vulnerable, the index needs to see a positive day very soon.

## April 22

The upside move failed last week, resulting in a downside move that created a three wave corrective pattern similar to the one seen in February. The futures remain technically bullish with price now in the Fibonacci support zone with the future's testing and holding above the 55-period EMA. A bullish Harami pattern is supported by the RSI above 50 with the stochastic oversold, momentum is warning we have the potential for a test to the upside. Corrective but not considered a technical sell at this point.

## Q2 22

The futures are currently in a complex corrective wave 4 having failed to hold the upside move last week. Downside moves that hold at or above USD 27,685 will support a bull argument, below this level the futures will have a neutral bias. Price has now produced a 3-wave corrective pattern with a potential bullish Harami forming, from a technical perspective the futures are not considered a sell at this point.

## Cal 23

Technically neutral with a potential bullish Harami pattern forming. The longer period EMA's (30-60) are well spaced and again acting as a support to the futures, the trend at this point remains stable. Downside moves below USD 20,375 will target the USD 19,625 fractal support, below this level the technical is bearish. Technically neutral.

# Capesize Index



	Support	Resistance	Current Price	Bull	Bear
S1	16,933	R1	23,431		
S2	13,414	R2	24,605		Stochastic overbought
S3	12,000	R3	30,501		

Source Bloomberg

## Synopsis - Intraday

- Price is above the 8-21 period EMA's
- RSI is below 50 (49)
- Stochastic is overbought
- The index failed to break near-term resistance levels last week resulting in a technical pullback. Price is below the 8-21 period EMA supported by the RSI below 50.
- Downside moves that hold at or above USD 16,933 will support a bull argument, below this level the index will have a neutral bias. Only below USD 13,414 is the index bearish.
- Upside moves above USD 20,562 will indicate that momentum is improving based on price. However, corrective moves higher that fail at or below USD 30,501 will leave the longer-term technical vulnerable to a pullback.
- The RSI is at 49 (near neutral) with the stochastic overbought, if the RSI does not move above and hold above the 50 level soon then we could see further tests to the downside within this move. If the RSI does go above 50 then the overbought stochastic is considered as less relevant.

# Capesize April 22 (1 Month forward)



Support		Resistance		Current Price	Bull	Bear
S1	23,600	R1	29,000	25,250	RSI above 50	
S2	21,232	R2	31,000			
S3	19,367	R3	33,980			

## Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is above 50 (52)
- Stochastic is oversold
- The upside move did not hold last week resulting in the futures trading into the Fibonacci support zone. Price is below the 8-21 period EMA's but the RSI is above 50, the technical is bullish but in a corrective phase.
- Downside moves that hold at or above USD 21,232 will support a bull argument, below this level the daily technical will have a neutral bias.
- We now have a 3-wave corrective pattern similar to the one we had in Feb 2020, this is potentially an A, B, C corrective pattern and could have potential bullish implications going forward. We also note that at this point the current's day's range is within the previous day's range, this is known as a bullish Harami; if we have a higher close tomorrow then we could see further upside moves, targeting the USD 29,000 and USD 31,000 resistance levels.
- The RSI is above 50 with the stochastic oversold; if the RSI can hold above the 50 level and price above the 55-period EMA, this will also support a bull argument. If the RSI moves below 50 and price below the 55-period average the USD 21,232 support could be tested.
- Technically bullish but in a corrective phase, due to momentum, the Harami, the 3-wave pattern lower and the 55-period average, we do not consider the futures a technical sell at this point.

# Capesize Q2 22



	Support	Resistance	Current Price	Bull	Bear
S1	29,125	R1	32,250	RSI above 50	
S2	27,675	R2	33,625		
S3	26,551	R3	34,450		

## Synopsis - Intraday

Source Bloomberg

- Price is between the 8-21 period EMA
- RSI is above 50 (55)
- Stochastic is at 50
- As noted last week failure to trade to a new high would suggest we remain in a complex corrective wave-4 with downside moves considered as countertrend, price is between the 8-21 period EMA's supported by the RSI above 50.
- Downside moves that hold at or above USD 27,685 will support a bull argument, below this level the technical will have a neutral bias.
- Like the April contract we have a 3-wave corrective pattern with what is looking like a bullish Harami, an upside move tomorrow would warn that we are potentially entering a new bull phase, targeting the USD 32,250 and USD 33,625 fractal resistance levels.
- Technically bullish but in a corrective phase, the futures are not considered a technical sell at this point.

# Capesize Cal 23



Support	Resistance	Current Price	Bull	Bear
S1	R1	21,062	RSI above 50	
S2	R2			
S3	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is above 50 (51)
- Stochastic is overbought
- The Upside move in the futures last week failed to hold but price did trade above the USD 21,530 level, meaning the technical had a bull bias. The downside move yesterday is holding within the longer period EMA's (30-60), these averages are well spaced suggesting the trend is stable. Price is below the 8-21 period EMA's but the RSI is above 50.
- Yesterday's corrective move was below the USD 20,774 level (low USD 20,700) meaning the futures have a neutral bias once again.
- Downside moves below USD 20,375 will target the USD 19,625 fractal support, below this level the technical is bearish.
- Like the rest of the freight complex, we have a potential bullish Harami pattern forming. Not a buy signal, an upside move tomorrow would warn we could see resistance levels tested.
- Technically neutral.

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