



# Capesize Technical Report

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## Index

Having made a higher high, the index has entered bull territory with price looking to test the USD 19,235 resistance, upside moves above this level will target the USD 23,413 high. The RSI is above the 50 level, but its MA is not, warning that momentum is not strong at this point, suggesting we could see a technical pullback soon. However, the MA itself is sloping higher, indicating support levels should hold if tested. 3-year average values look to turn lower around the 05/05 until the 03/06 but have turned as early as the 27/04 until the 15/05. Technically bullish we are seeing a slowdown in price warning we have the potential to enter a corrective wave soon.

## May 22

From a technical perspective we remain neutral based on the deep pullback, the USD 20,000 support has held but the futures remain vulnerable below USD 28,137. The stochastic is at 63 with the RSI at 51 suggesting momentum is vulnerable to a test to the downside, this is supported by the seasonality chart which turns lower around the 05/05. The flat moving averages and a slowing index would also suggest the futures remain vulnerable, highlighted by the USD 6,540 carry to the index. Technically neutral, there is no real buy argument at this point with the carry in the June at USD 11,790 now becoming a concern.

## Q3 22

There has been little change in price since the last report with price remaining in a consolidation phase. This has allowed the 3-year max values to catch up with current valuations. Downside moves that hold at or above USD 32,715 will support a bull argument whilst above USD 37,500 the RSI will create a negative divergence with the RSI, not a sell signal it does warn of the potential for a momentum slowdown. The Elliott wave cycle would suggest we are in a corrective wave 4 of an extended wave 3, meaning downside moves should be considered as countertrend. The technical is bullish but price action at this point has a neutral bias.

## Cal 23

The futures remain in a bullish trending environment with price continuing to make new highs. The trend itself is stable with the moving averages well spaced. Downside moves that hold at or above USD 21,475 will support a bull argument, below this level the technical will have a neutral bias. The RSI continues to warn that momentum has the potential to slowdown, as does the seasonality chart which looks to enter a period of consolidation. A close on the weekly chart below USD 21,875 will warn that daily support levels could be tested. Technically bullish and in trend, the RSI has now been in divergence since early March.

# Capesize Index

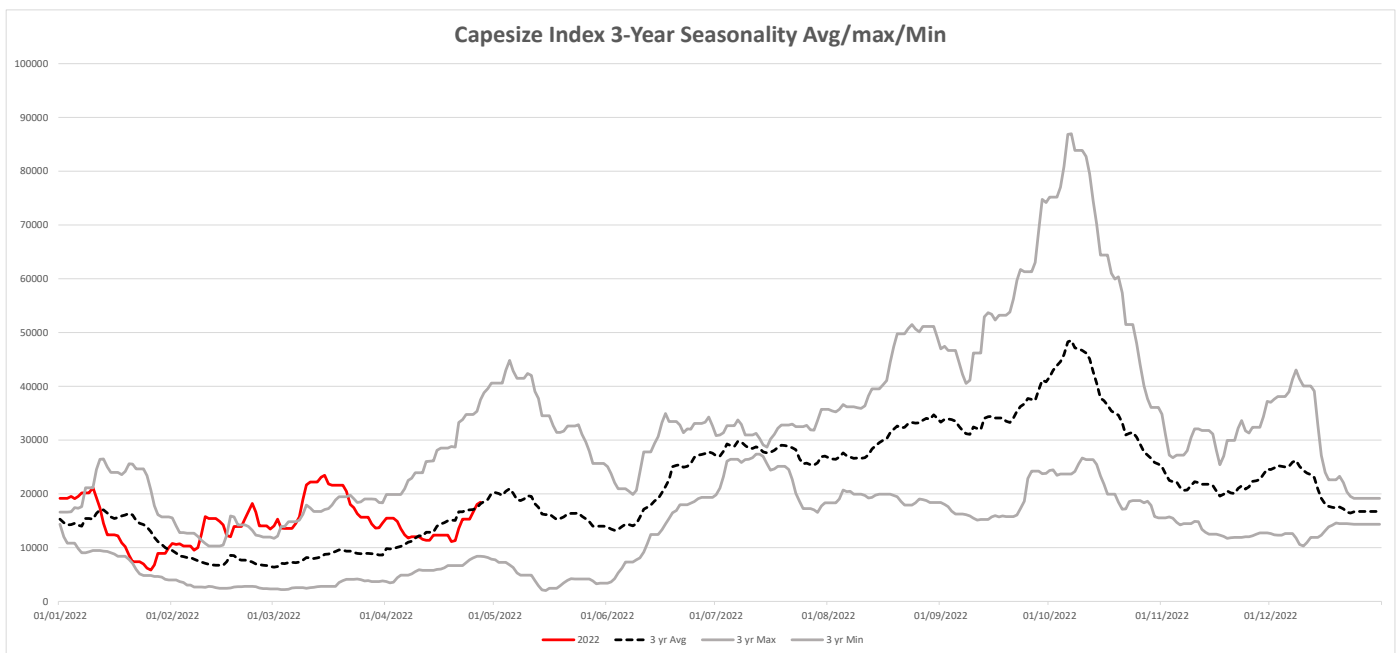


	Support	Resistance	Current Price	Bull	Bear
S1	15,658	R1	19,235	RSI above 50	
S2	14,793	R2	20,783		
S3	13,620	R3	23,413		

## Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (58)
- Stochastic is above 50
- The index continues to move higher with price above short- and medium-term moving averages supported by the RSI above 50.
- The index has traded above the USD 14,460 fractal resistance meaning it is bullish based on the higher high, however we remain vulnerable below the USD 19,235 resistance, above this level we target the USD 23,413 high.
- Downside moves that hold at or above USD 13,620 will further support a bull argument, below this level the technical will have a neutral bias.
- The RSI is above 50 but its moving average remains below 50, warning we have the potential to see a technical pullback; however, the moving average is sloping higher, suggesting support levels should hold if tested. 3-year average values have traded as high as USD 20,900 with price turning lower around the 05/05 until the 03/06. However, price has turned lower as early as the 27/04 until the 15/05. A close below USD 15,714 will indicate momentum is weakening based on price.
- Technically bullish, the upside moves is slowing down, warning we could soon enter a corrective phase.



# Capesize May 22 (1 Month forward)

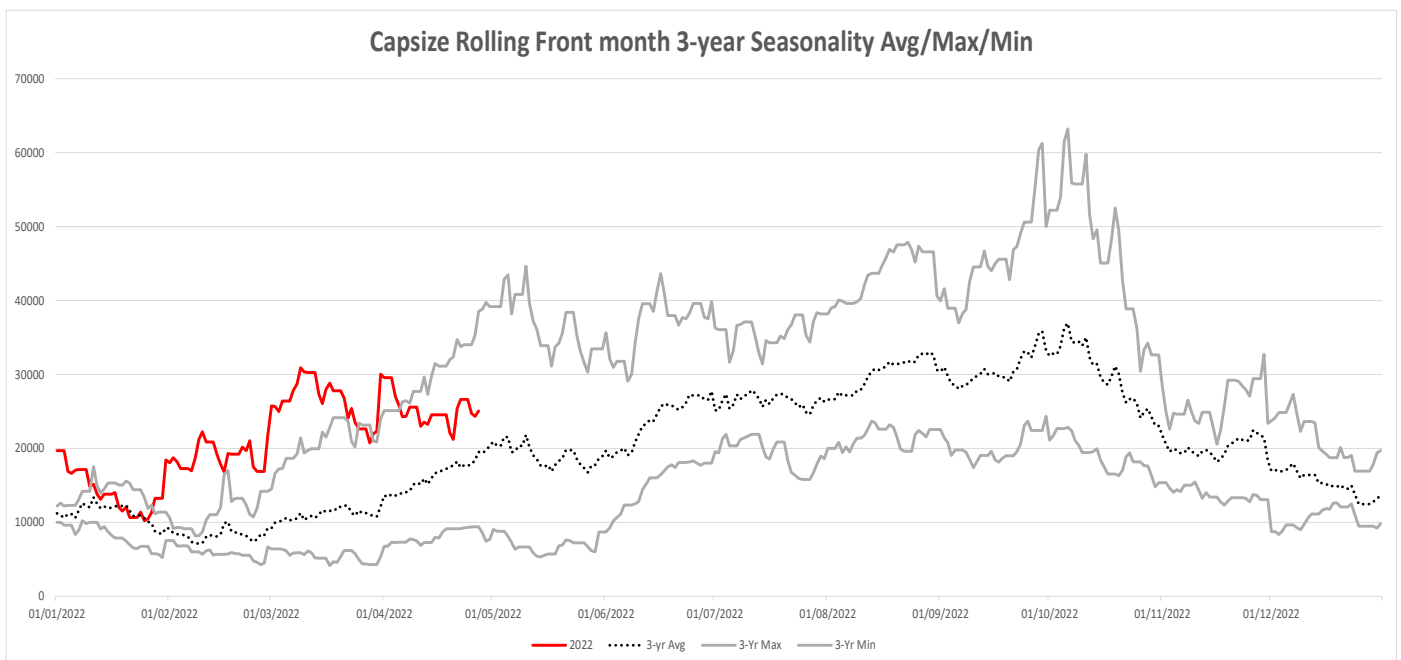


	Support	Resistance	Current Price	Bull	Bear
S1	23,900	R1	25,375	RSI above 50	
S2	22,514	R2			
S3	20,000	R3			

## Synopsis - Intraday

- Price is below the 8-21 period EMA
- RSI is above 50 (51.5)
- Stochastic is overbought
- The futures traded down to a low of USD 21,125 meaning the USD 20,000 support has not been tested. Price did see a strong upside move to a high of USD 26,625; however, this pushed the carry back out to around 13k resulting in a technical pullback, the futures are above the short- and medium-term moving averages supported by the RSI above 50.
- Upside moves that fail at or below USD 28,137 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 29,476 and USD 3,1750 fractal resistance levels.
- The futures are holding above the 55-period EMA which is flat, indicating a lack of trend in the market, suggesting we have a neutral bias at this point, the carry against the index is now at USD 6,540, a more manageable level as we start pricing in next week. The greater concern is the June futures as this has a carry of USD 11,790 which is too much for the futures to start a sustained bull run. Technically neutral on the May contract.
- Seasonality chart start to turn lower on the 05/05 suggesting this technical is still vulnerable based on the neutral averages and the carry

Source Bloomberg



# Capesize Q3 22

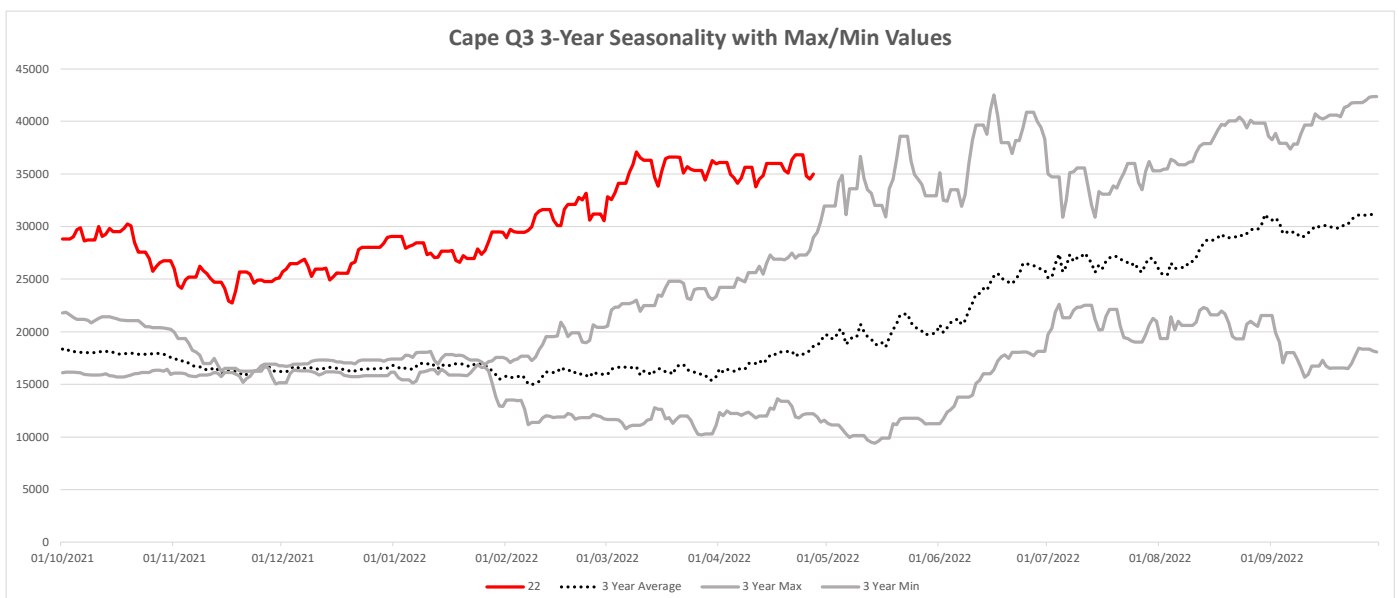


	Support	Resistance	Current Price	Bull	Bear
S1	33,875	R1	36,250	RSI above 50	
S2	32,715	R2	36,625		
S3	31,801	R3	37,500		

## Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA
- RSI is above 50 (51)
- Stochastic is above 50
- There have been no upside breakouts since the last report with the futures remaining in a consolidation phase. Price is below the 8-21 period EMA's which are now flat, supporting a neutral bias, the RSI continues to hold just above the 50 level.
- Downside moves that hold at or above USD 32,715 will support a bull argument, below this level the futures will have a neutral bias.
- With the index is now matching last year's levels, the consolidation in the futures (sideways action) means we will soon be matching last year's max values, suggesting price is looking less vulnerable to a downside move than on the last report.
- We maintain our view the futures are in a corrective wave-4 of this phase, meaning downside moves should be considered as countertrend. Upside moves above the USD 37,500 high will create a negative divergence with the RSI, not a sell signal it does warn of the potential for a momentum slowdown. This looks to be a wave 4 of an extended wave 3 (Elliott wave).
- Longer-term seasonality charts remain bullish.



# Capesize Cal 23



	Support	Resistance	Current Price	Bull	Bear
S1	21,237	R1	22,400	RSI above 50	Stochastic overbought
S2	21,010	R2			
S3	20,625	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is above 50 (55)
- Stochastic is overbought
- The futures continue to be resilient despite the dual negative divergence that was in play last week, price moved lower for one more day before moving higher. The futures are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 21,475 will support a bull argument, below this level the futures will have a neutral bias.
- Medium and longer-term moving averages remain well spaced suggesting the trend is stable whilst the seasonality charts do start to flatten, implying we could see a small pullback/consolidation soon.
- The technical is bullish, the futures continue to produce a negative divergence warning of exhaustion, if we close on the weekly chart below USD 21,875 we could see support levels come under pressure.

