



# Capesize Technical Report

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## Index

Price is above the short- and medium-term averages supported by the RSI above 50. Upside moves above the USD 23,413 level will target USD 28,402 – USD 33,066 resistance zone in the near-term, with the potential to trade as high as USD 43,030. Seasonality is due to turn to the sell side, however the RSI has moved above the 64 level suggesting resistance levels could be tested in the near-term as historically this has been a bullish signal for the index.

## June 22

Recently we have had a lot of focus on the carry as it has been over USD 16,000 whilst seasonality have been readying for a turn to the downside, warning the futures are looking overextended. However, the upside move in the index today has resulted in the RSI moving above 64, this has been a significant level over the last few years and regularly signaled the index is about to go on a bull run. This would suggest that the carry has the potential to now narrow significantly and supports the recent bull move. The RSI is trading to new highs, also supporting the bull move, meaning downside support levels are likely to hold if tested.

## Q3 22

We noted on the last report that our Elliott wave analysis suggested that downside moves should be considered as countertrend, as price looked to be in a corrective wave 4 of an extended wave 3. The futures have now made a new high meaning we are on a bullish impulse wave 5. Price is in divergence with the RSI and this will need to be monitored, not a sell signal it is a warning that we have the potential to see a momentum slowdown. Countering this is the wave analysis, using the William's method we have near-term resistance at USD 39,832 with a potential upside target as high as USD 43,667. Downside moves that hold at or above USD 35,410 will support a bull argument.

## Cal 23

A stable trend but negative divergences last week had warned that support levels could be tested. However, this was not the case with the futures continuing to move higher. Price and the RSI have made new highs, meaning the divergence is no longer in play. Downside moves that hold at or above USD 21,874 will support a bull argument, below this level the futures will have a neutral bias. Technically bullish, the moving averages would suggest the trend is stable, suggesting support levels should hold if tested.

# Capesize Index

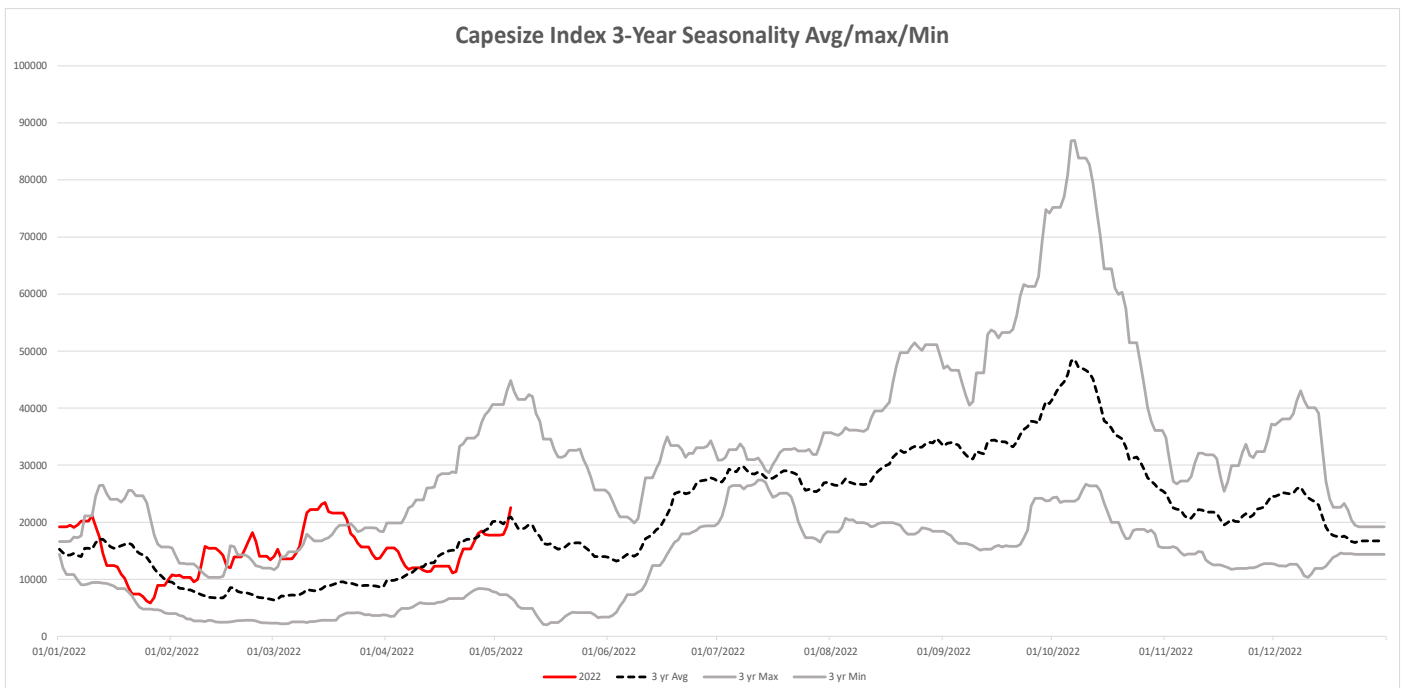


Support	Resistance	Current Price	Bull	Bear
S1	R1	22,569	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (65)
- Stochastic is above 50
- The small corrective pullback in the futures held above the EMA support resulting in price moving higher. Both the RSI and its moving average are above 50.
- Downside moves that hold at or above USD 15,017 will support a bull argument, below this level the technical will have a neutral bias.
- Upside moves above USD 23,413 will target the USD 28,402 and USD 33,066 resistance levels with the potential to test the USD 43,030 high.
- The RSI is above the 64 level, this could prove to be significant as above this level the index has the potential to go on a bullish run. Seasonality leans to the sell side; however at this point our focus is on the RSI breakout as it suggests further upside in the near-term.



# Capesize June 22 (1 Month forward)

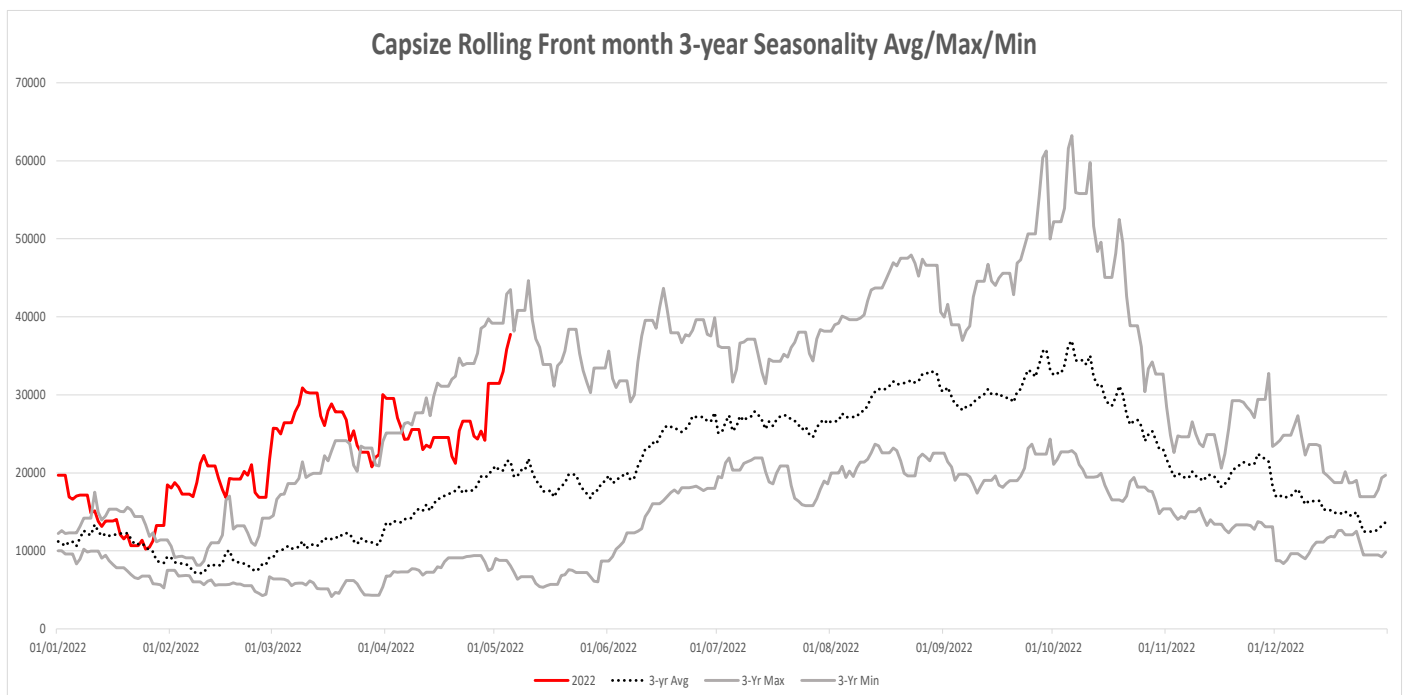


Support	Resistance	Current Price	Bull	Bear
S1	R1	37,750	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

## Synopsis - Intraday

- Price is above the 8-21 period EMA
- RSI is above 50 (65)
- Stochastic is overbought
- The roll in the futures to the June contract resulted in the futures moving above the 200-period MA, price is above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 26,777 will support a bull argument, below this level the futures will have a neutral bias.
- The RSI is making new highs supporting the bull move, this would also suggest that downside moves will potentially counter-trend, indicating support levels will hold if tested.
- Seasonality does turn to the sell side soon whilst the carry is still around USD 15,000; however, as noted on the previous page, the upside move in index has pushed the RSI above 64, historically this had strong bullish implications for the index and would suggest that the carry will now start to narrow, potentially quickly.
- Technically bullish, price has broken the USD 31,000 – USD 31,750 resistance zone (double top) which could well act as a support on any technical pullback.

Source Bloomberg



# Capesize Q3 22

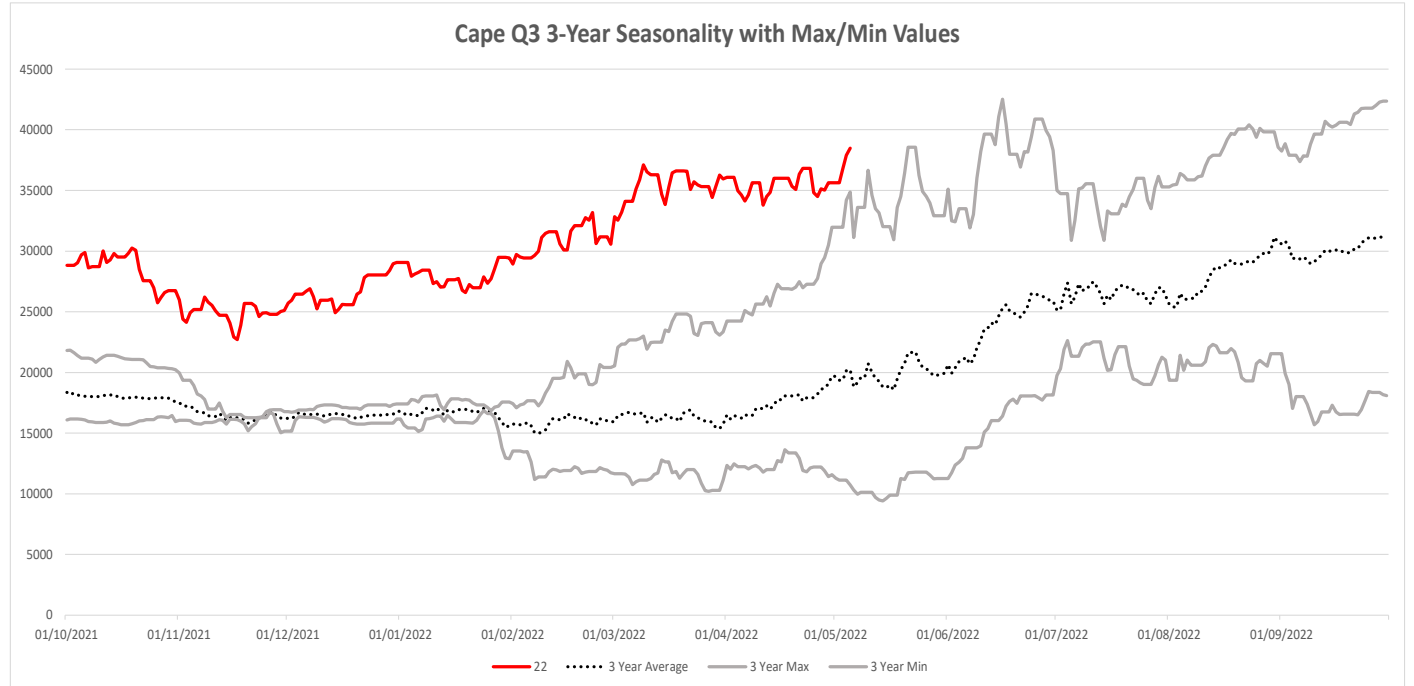


	Support	Resistance	Current Price	Bull	Bear
S1	36,869	R1	39,832	RSI above 50	Stochastic overbought
S2	36,250	R2	41,750		
S3	35,140	R3	43,667		

## Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is above 50 (60)
- Stochastic is overbought
- As noted on the last report the consolidation phase had resulted in the seasonality chart catching up with price, meaning it looked less vulnerable to a downside move. Our Elliott wave analysis had suggested downside moves will be countertrend, as price appeared to be in a corrective wave 4 of an extended wave 3. The futures have moved higher with price above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 35,410 will support a bull argument, below this level the futures will have a neutral bias.
- The new high means the RSI is in divergence with the stochastic, not a sell signal it does warn of the potential for a momentum slowdown.
- We are now on an Elliott wave 5 of this phase with near-term resistance at USD 39,832, based on the William's approach we have a potential upside target as high as USD 43,667.
- Technically bullish the divergence will need to be monitored.



# Capesize Cal 23



	Support	Resistance	Current Price	Bull	Bear
S1	22,896	R1	24,225	RSI above 50	Stochastic overbought
S2	22,462	R2			
S3	21,874	R3			

Source Bloomberg

## Synopsis - Intraday

- Price is above the 8-21 period EMA
- RSI is above 50 (64)
- Stochastic is overbought
- The futures formed a base last week meaning key support levels were not tested. Price is above all key moving averages supported by the RSI above 50.
- We previously noted that the trend remained stable based on the well spaced moving averages; however, momentum indicators had produced a series of divergences warning there were signs of exhaustion. The upside move in the futures has resulted in the RSI making a new high, meaning the divergence is no longer in play.
- Downside moves that hold at or above USD 21,874 will support a bull argument, below this level the futures will have a neutral bias.
- Technically bullish and in trend with the averages remaining well space, key support to follow is at USD 21,874.

