



Capesize Technical Report

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

Index

Having noted previously that the index RSI had moved above 64, warning we could potentially be about to see a bull move, the index has now moved USD 11,962 higher. Price held above the 200-period MA last week, further supporting a buyers argument, upside moves above USD 35,001 will target the USD 39,077 level. A close below the 200-period MA will warn the technical could be weakening; however, corrective moves lower that hold at or above USD 19,084 will support a bull argument.

June 22

The futures broke the near-term support zone last week, signaling a corrective phase, but held key support levels resulting in another move higher. The futures have now entered a bullish wave 5 for the cycle that started on the 29/03/22, meaning we now have a potential upside target at USD 46,521 level using the William's approach. Downside moves that hold at or above USD 37,557 will support a bull argument, below this level the futures will have a neutral bias. Only below USD 34,625 is the technical back in a corrective phase. Technically bullish, intraday momentum indicators are in divergence, not a sell signal they do warn of the potential for a momentum slowdown and will need to be monitored.

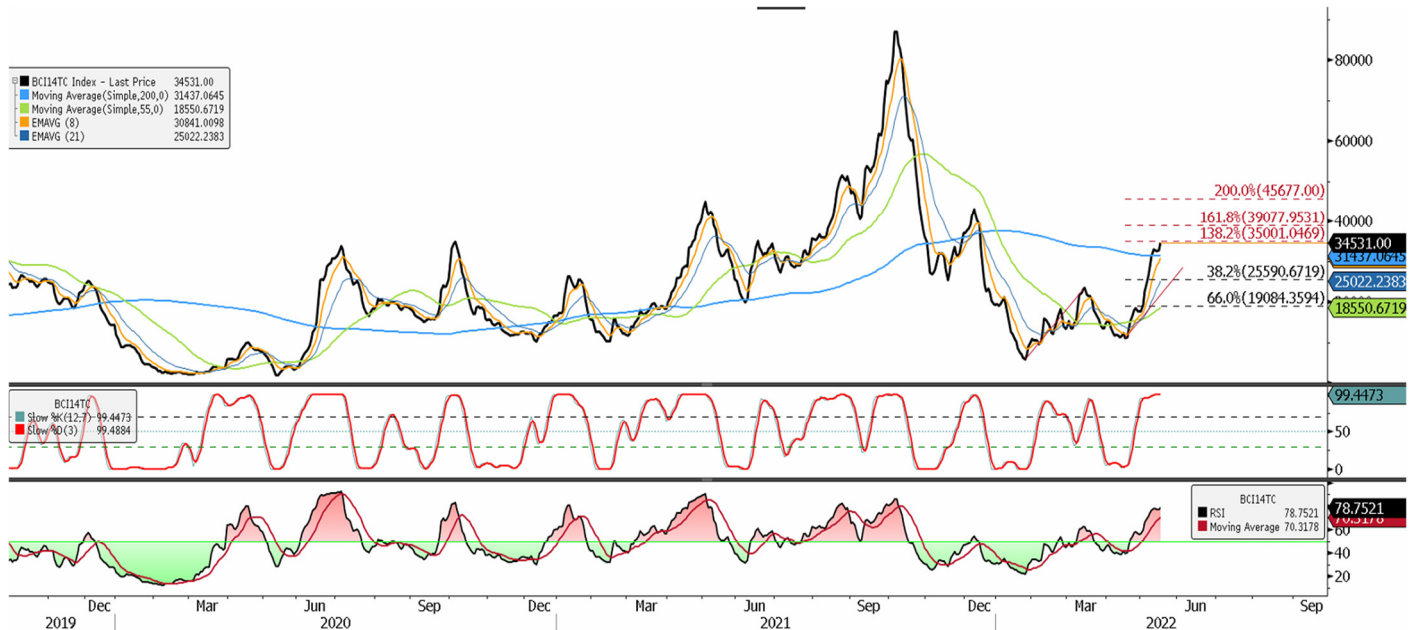
Q3 22

We highlighted last week that the futures were vulnerable to a technical pullback, but the longer-term trend remained bullish. Price did move lower, held the 55-period average, and has now traded to new highs. The futures look to be on a bullish Elliott wave 5 of this phase with a potential upside target at high as USD 43,667. However, we are seeing negative divergences on multiple timeframes which will need to be monitored, as it warns of the potential for a momentum slowdown. Downside moves that hold at or above USD 36,478 will support a bull argument, below this level the technical will have a neutral bias.

Cal 23

A deep pullback last week took the futures into neutral territory. Price is back above all key moving averages supported by the RSI above 50, an oversold stochastic is warning that momentum is vulnerable to a move to the upside. The trend is stable but due to the deep pullback we now have a neutral bias.

Capesize Index

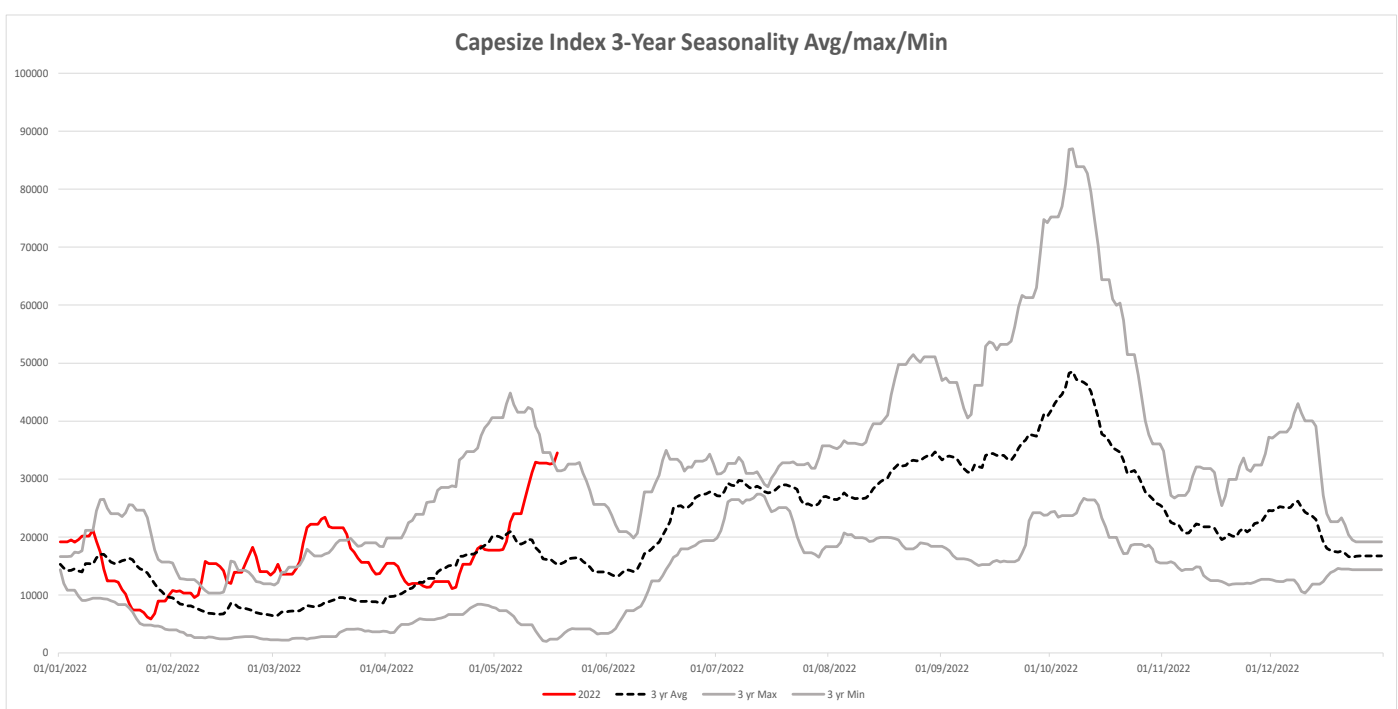


Support	Resistance	Current Price	Bull	Bear
S1	R1	34,531	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (78)
- Stochastic is overbought
- The index continues to move higher with price up USD 11,962 since its RSI went through the 64 level. Price is above all key moving averages supported by the RSI above.
- Price has held above the 200-period MA (USD 25,022) a close below this level will weaken the technical; however, corrective moves lower that hold at or above 19,084 will support a bull argument, below this level the technical will have a neutral bias.
- Having held above the longer-period MA price has traded through the USD 33,066 resistance, upside moves above USD 35,001 will target the USD 39,077 level
- The RSI is making new highs, supported by its MA which is above 50 and in an upward trajectory, this would suggest support levels should hold if tested.
- Technically bullish, the seasonality charts are now bearish.



Capesize June 22 (1 Month forward)

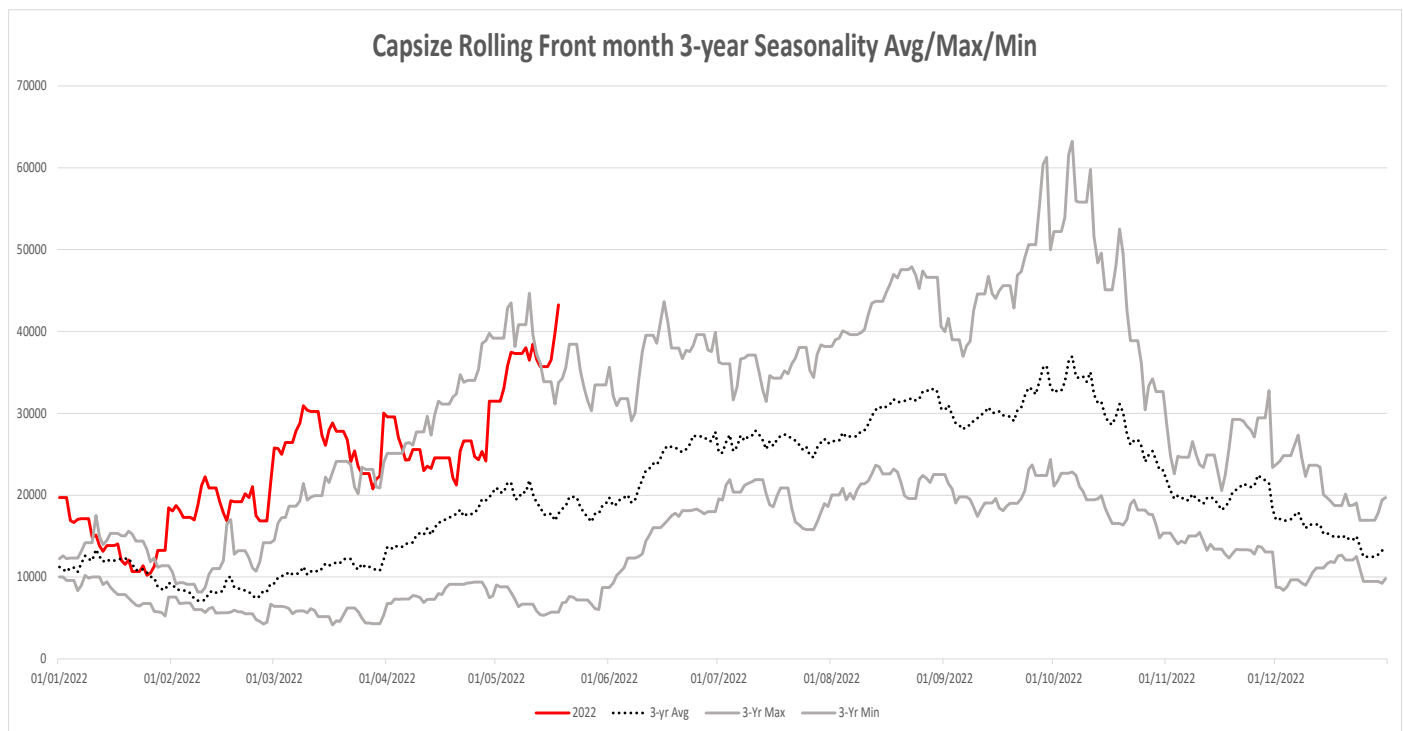


Support		Resistance		Current Price	Bull	Bear
S1	39,995	R1	44,250	42,500	RSI above 50	Stochastic overbought
S2	38,937	R2	46,521			
S3	37,557	R3	49,755			

Synopsis - Intraday

- Price is above the 8-21 period EMA
- RSI is above 50 (65)
- Stochastic is overbought
- We noted last week that a downside move below the USD 36,500-USD 36,250 support zone will indicate the futures had entered a corrective phase, with downside moves that held above USD 27,160 supporting a longer-term bull argument. Price traded below the near-term support zone to a low of USD 34,625 before moving higher. The futures are above all key moving averages supported by the RSI above 50.
- Corrective moves lower that hold at or above USD 37,557 will support a bull argument, below this level the futures will have a neutral bias. Only below USD 34,625 is the technical bearish.
- The futures have now entered a bullish impulse Elliott wave 5 of the cycle that started on the 29/03/22. Using the William's approach, we have a potential upside target at USD 46,521, upside moves above this level will target the USD 49,755 level.
- Technically bullish, intraday momentum indicators are now in divergence warning we have the potential for a momentum slowdown, this is not a sell signal, but it is a warning and will need to be monitored.

Source Bloomberg



Capesize Q3 22

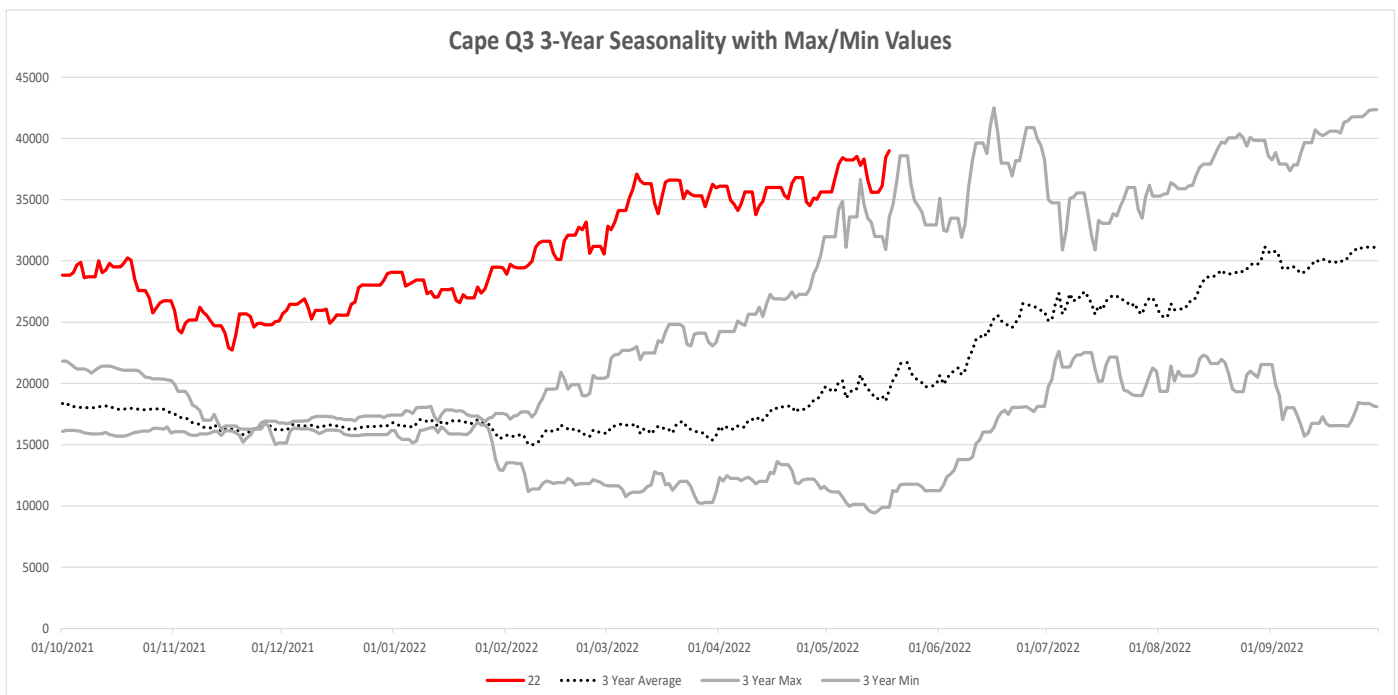


	Support	Resistance	Current Price	Bull	Bear	
S1	37,645	R1	39,150	RSI above 50		
S2	37,150	R2				41,750
S3	36,478	R3				43,667

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is above 50 (58)
- Stochastic is above 50
- As noted last week the futures were vulnerable to a technical pullback but the longer-term trend remained bullish. The futures produced a deep pullback taking the technical into a neutral phase but held the 55-period EMA, resulting in the futures moving higher. Price is above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 36,478 will support a bull argument, below this level the futures will have a neutral bias. Key fractal support is at USD 34,875, corrective moves below this level will warn we have the potential to enter a longer-term corrective phase.
- Near-term resistance is now at USD 39,832 with a potential upside target as high as USD 43,667. However, we are seeing negative divergences on both the intraday and daily technical warning that price has the potential to exhaust.
- Technically bullish the divergences are on multiple timeframes and will need to be monitored. Key support is at USD 36,478.



Capesize Cal 23



	Support	Resistance	Current Price	Bull	Bear
S1	22,897	R1	24,300	RSI above 50	
S2	22,629	R2	24,814		
S3	22,175	R3	25,349		

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is above 50 (54)
- Stochastic is oversold
- The futures produced a deep pullback last week meaning the technical has a neutral bias. The corrective move lower held above the 55-period average with price now back above the 8-21 period EMA's, supported by the RSI above 50.
- Downside moves below USD 22,175 will create a lower low in the market, meaning the futures have entered a corrective phase; likewise, upside moves that trade above the USD 24,300 high will target the USD 24,814 resistance.
- Longer-term averages remain stable with seasonality starting to flatten out. Due to the pullback the futures are now bullish with a neutral bias.

