



Capesize Technical Report

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Index

Having traded to a high of USD 38,169 the index has entered a corrective phase. Price is between the EMA's with the RSI is above 50. Both the RSI and is moving average are above 50 suggesting support levels should hold if tested. A corrective 3-wave pattern, or a bullish impulse Elliott wave 3? The upside move between April and May is 161.8% the length of the move between Jan-Mar 22, indicating it could be bullish impulse, suggesting this move lower is potentially countertrend. Downside moves that hold at or above USD 20,321 will support a bull argument, below this level the technical will have a neutral bias.

June 22

The futures have traded below USD 34,625 today, meaning the technical is bearish based on price, this also confirms that the bullish Elliott wave cycle that started on the 20/04 has completed. We have now seen two bullish impulse 5 wave patterns this year (highlighted on chart), suggesting we are in a corrective wave 4 of a larger cycle. Downside moves that hold at or above USD 27,947 will support a bull argument, below this level the futures will have a neutral bias.

Q3 22

Technically bullish last week but in divergence with the RSI, warning the futures had the potential to see a momentum slowdown. Price is now in a corrective phase with the pullback considered as deep, meaning we have a neutral bias, this is supported by the RSI at 49.5. We are holding above the 55-period EMA, with fractal support at USD 34,875, if the fractal is broken the futures are bearish based on price. Upside moves that fail at or below USD 37,965 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 39,250 high. The moving average in the RSI is above 50, but sloping lower, this is warning that support levels could hold if tested in the near-term. The deep pullback on the back of a divergence would suggest that support could come under pressure in the coming days.

Cal 23

The futures have traded below the USD 22,250 fractal support, meaning the technical is bearish based on price. Upside moves that fail at or below USD 23,197 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. The RSI is at 49.5 with the stochastic in oversold territory, if the RSI can move above and hold above the 50 level then momentum is vulnerable to a test to the upside. However, the MA on the RSI is sloping lower, warning resistance levels could hold if tested in the near-term.

Capesize Index

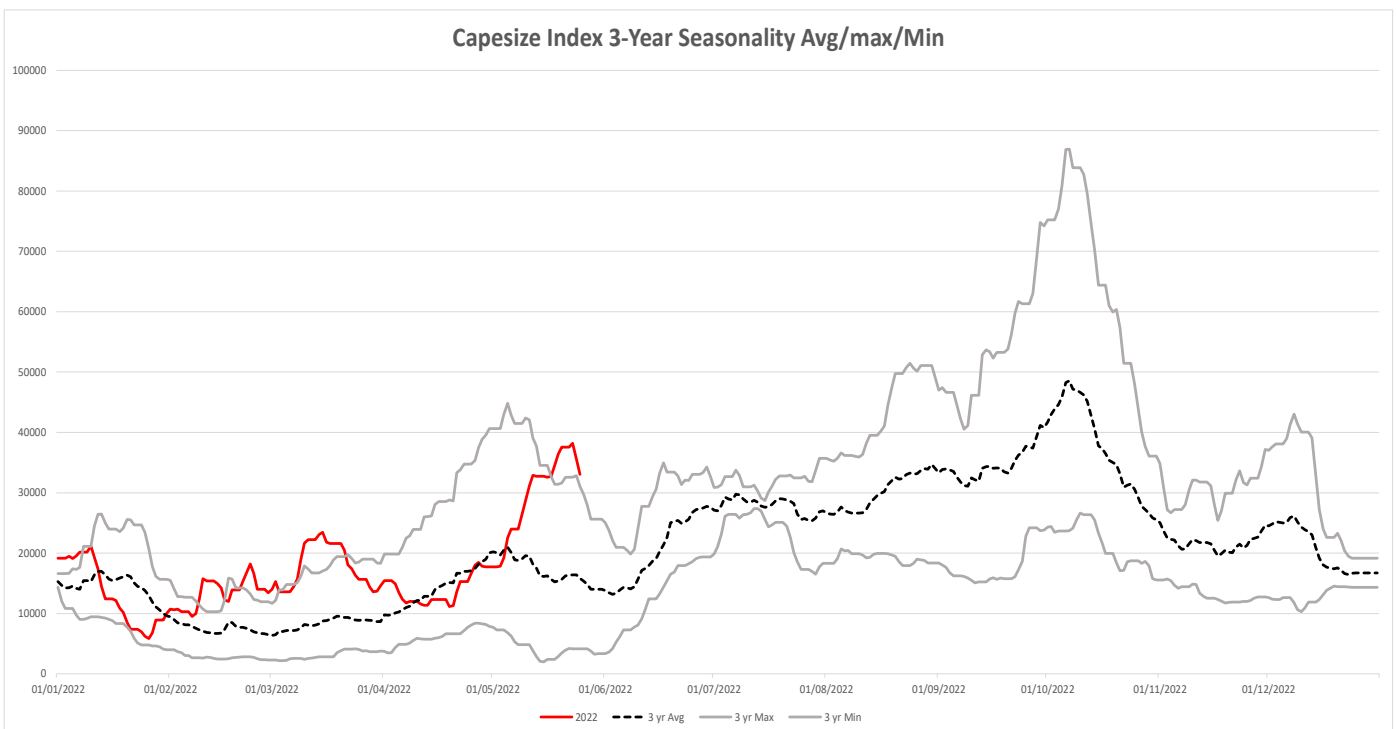


| | Support | Resistance | Current Price | Bull | Bear |
|----|---------|------------|---------------|--------------|-----------------------|
| S1 | 27,838 | R1 | 39,582 | RSI above 50 | Stochastic overbought |
| S2 | 24,648 | R2 | 42,537 | | |
| S3 | 20,321 | R3 | 46,301 | | |

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (78)
- Stochastic is overbought
- The index traded to a high of USD 38,169 before entering a corrective phase. Price is between the 8-21 period EMA's supported by the RSI above 50.
- Downside moves that hold at or above USD 20,321 will support a bull argument, below this level the technical will have a neutral bias. Likewise, upside moves above USD 38,169 will target the USD 42,537-USD 46,301 resistance levels.
- Downside moves that close below the 200-period MA (USD 31,462) will warn that support levels could be tested.
- The RSI and its moving average are above 50 with the RSI having recently made a new high, suggesting downside support levels should hold if tested. price is currently a 3-wave pattern that could be part of a larger corrective phase. However, the recent bull wave consisted of 5-waves and is approximately 161.8% of the length of the bullish wave between Jan-Mar 22, suggesting we are looking at a bullish impulse wave 3. If this is the case, then this downside move should be considered as countertrend.



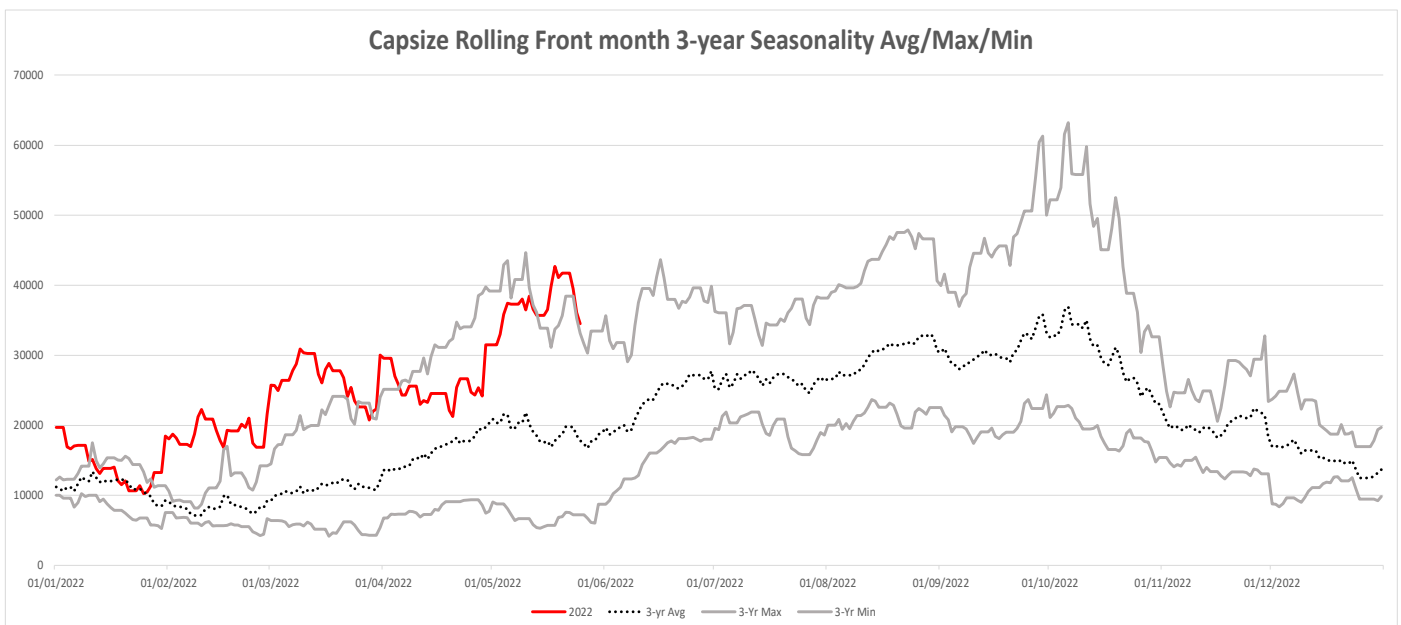
Capesize June 22 (1 Month forward)



Synopsis - Intraday

- Price is below the 8-21 period EMA
- RSI is above 50 (53)
- Stochastic is at 50
- Last week we noted that the futures had entered a bullish Elliott wave 5 of this phase with a potential upside target as high as USD 46,521; however, the negative divergence needed to be monitored as it warned of the potential for a momentum slow-down. The futures traded to a high of USD 43,500 (only USD 1,000 higher) before entering a corrective phase. Price is below the 8-21 period EMA's with the RSI above 50.
- Price has traded below the USD 34,625 support meaning the technical is now bearish based on price, indicating the bullish wave cycle that started on the 20/04/22 has completed. However, two bullish waves higher this year, both consisting of 5-waves would suggest that we are looking at a bullish Elliott wave cycle, and not a corrective 3-wave pattern higher. If this is the case, then we are currently on a corrective wave 4 (cycle in black), meaning downside moves that hold at or above USD 27,947 will support a longer-term bull argument, below this level the technical will be neutral.
- Upside moves that fail at or below USD 40,145 will leave the futures vulnerable to further tests to the downside, above this level the futures will have a neutral bias.
- Technically bearish based on the new low below USD 34,625, the futures now look to be on a countertrend corrective wave 4, making USD 27,947 the key support to follow.

Source Bloomberg



Capesize Q3 22

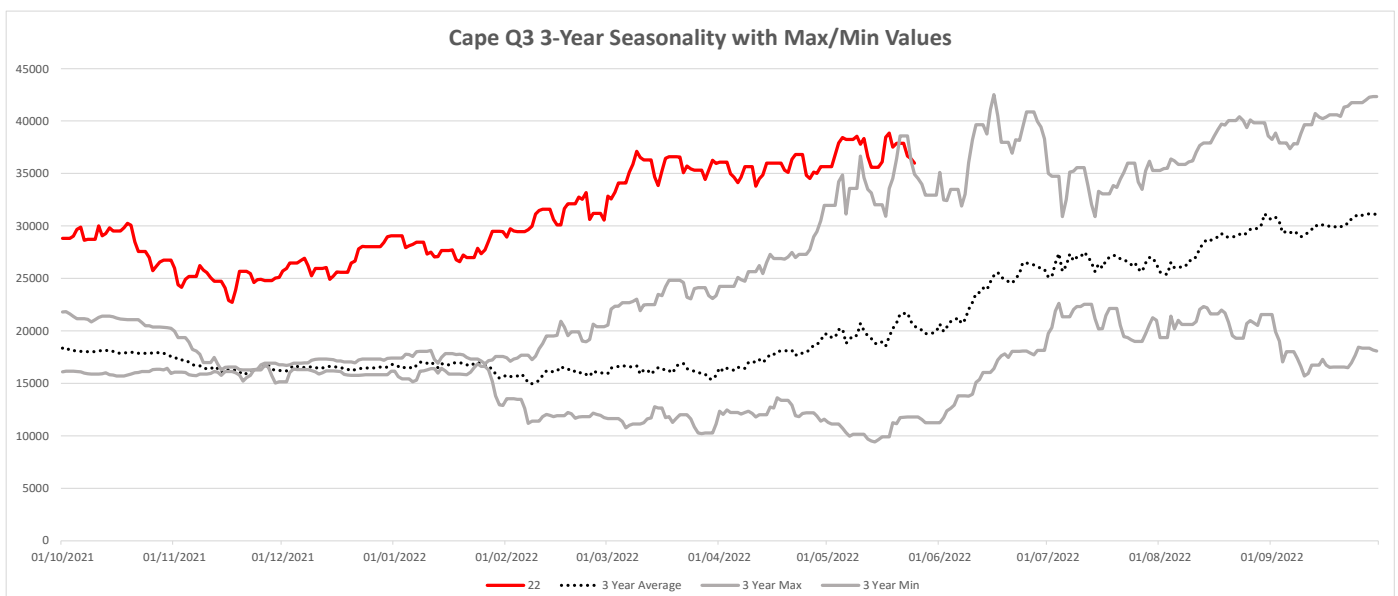


| | Support | Resistance | Current Price | Bull | Bear | |
|----|---------|------------|---------------|--------------|--------------|--------|
| S1 | 35,811 | R1 | 36,000 | RSI above 50 | RSI below 50 | |
| S2 | 34,875 | R2 | | | | 37,360 |
| S3 | 34,375 | R3 | | | | 37,965 |

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is above 50 (58)
- Stochastic is above 50
- We noted last week that the futures were technically bullish with a potential upside target as high as USD 43,667; however, divergences on both the intraday and daily technical warned that we had the potential to exhaust and needed to be monitored. The futures have since corrected with price below the 8-21 period EMA's, supported by the RSI below 50.
- Upside moves that fail at or below USD 37,956 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 39,250 high.
- Price is now testing the 55-period EMA (USD 35,478), if we hold the EMA, it will support a bull argument; however, a close below this level will warn of further technical weakens. Below USD 34,875 the futures will have created a lower low meaning the technical is bearish based on price.
- Bullish, but corrective with a neutral bias, price is now testing a key support zone on the back of a negative divergence, warning we could enter bear territory soon. The RSI is near neutral at 49.5, if it drops much further momentum does become a little vulnerable. The RSI MA is above 50 which is a positive, but it is sloping lower suggesting resistance levels could hold if tested in the near-term.



Capesize Cal 23



| | Support | Resistance | Current Price | Bull | Bear |
|----|---------|------------|---------------|---------------------|--------------|
| S1 | 22,158 | R1 | 23,197 | Stochastic oversold | RSI below 50 |
| S2 | 21,725 | R2 | 23,750 | | |
| S3 | 21,187 | R3 | 24,300 | | |

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA
- RSI is below 50 (49)
- Stochastic is oversold
- Technically bullish but with a neutral bias last week the futures have again moved lower. Price is below the 8-21 period EMA's supported by the RSI below 50.
- The futures have traded below the USD 22,250 support, meaning we are now bearish based on price.
- Upside moves that fail at or below USD 23,197 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The RSI is near neutral at 50 whilst the stochastic is in oversold territory, if the RSI can move above and hold above the 50 level, then momentum is vulnerable to a test to the upside. However, the MA on the RSI is sloping lower suggesting resistance levels could hold if tested in the near-term.

