



# Capesize Technical Report

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## Index

The index was in the early stages of a corrective phase last week with price still between the 8-21 period EMA's, a close below the 200-period MA warned that support levels could be tested. The move between April – May is 161.8% the length of the Jan- Mar move, suggesting it could be bullish impulse, corrective moves lower that hold at or above USD 20,321 will support a bull argument, below it the technical will have a neutral bias. Corrective, with price on the 55-period EMA and needing to hold the USD 20,321 support, otherwise the technical becomes neutral.

## July 22

Technically bullish but with a neutral bias. Momentum is now to the downside; warning support levels could come under pressure again soon. Downside moves below USD 23,625 will warn the USD 21,125 fractal support could be tested, if broken the bullish wave cycle will have failed, indicating the futures have the potential to come under further pressure. Likewise, upside moves above the USD 39,500 level will target the USD 43,375 high. Bullish but with a neutral bias with momentum to the downside, leaving support levels vulnerable.

## Q3 22

Technically bearish having previously made a lower low in the market, the upside move in the futures has also created a double top at USD 39,250, further supporting a bearish argument. Momentum is currently to the downside; below USD 34,337 we target the USD 33,000 and USD 31,312 levels. The Q3 is now pricing in with the futures still USD 13,000 above the index, suggesting support is coming from the seasonality charts at this point. Like the July contract we are dependent on the index holding support levels.

## Cal 23

Technically bearish on the last report the upside move in the futures failed to trade above a key resistance level resulting in further tests to the downside. Key resistance is now at USD 23,036, upside moves that fail at or below this level will level the technical to a corrective move lower, above this level the futures will have a neutral bias. The RSI is now below 50 warning that support levels could be tested in the near-term.

# Capesize Index

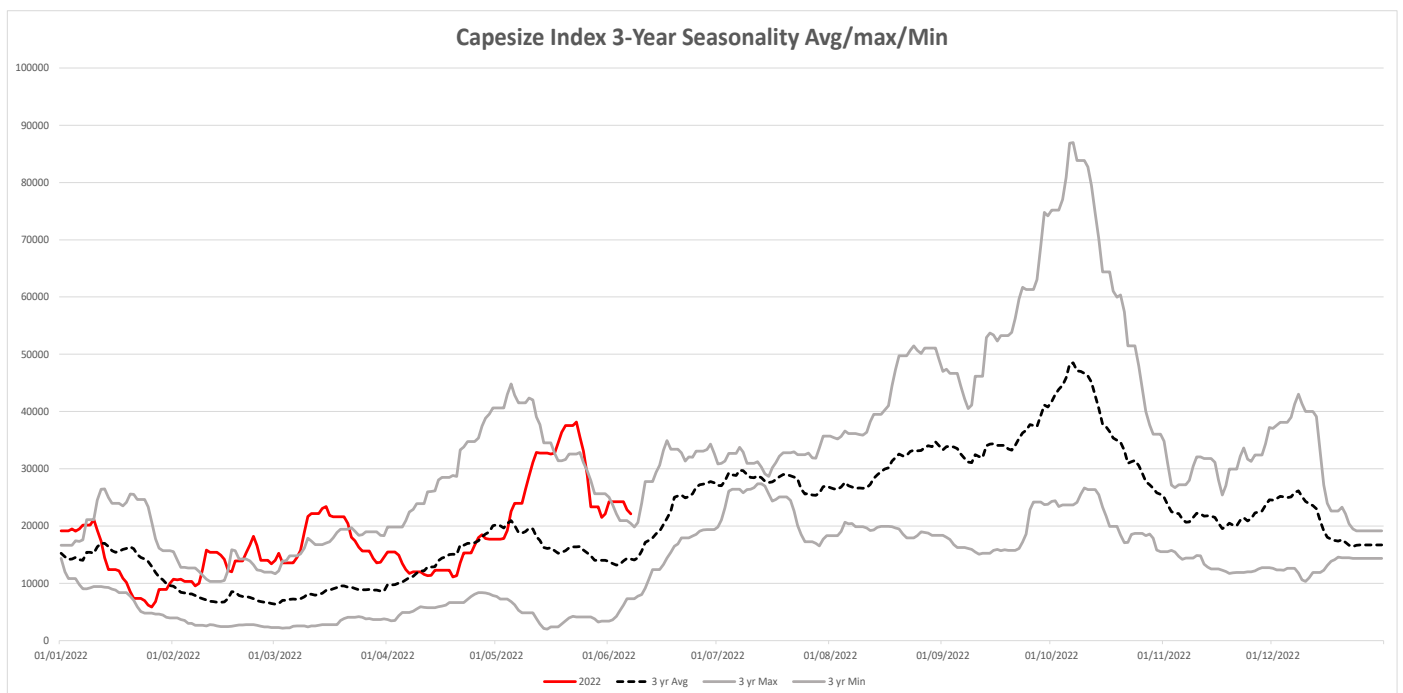


	Support	Resistance	Current Price	Bull	Bear
S1	20,321	R1	27,877	Stochastic oversold	RSI below 50
S2	16,913	R2	29,842		
S3	11,127	R3	32,506		

## Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (46)
- Stochastic is oversold
- The index was in the early stages of corrective phase on the last report with price still between the 8-21 period EMA's. We noted that there had been two bull waves this year with the second wave being 161.8% the length of the initial move, suggesting it could potentially be bullish impulse. However, the close below the 200-period MA warned that support levels could be tested. Price is below the 8-21 period EMA's with the RSI now below 50.
- Downside moves that hold at or above USD 20,321 will support a bull argument, below this level the index will have a neutral bias. Likewise, upside moves that fail at or below USD 32,506 will warn we are vulnerable to further tests to the downside, above this level we target the USD 38,169 high.
- The RSI is below 50 with the stochastic in oversold territory, if the RSI moves above and holds above the 50 level then we have the potential to see a test to the upside.
- Technically corrective and nearing a key support level, which will need to hold, if it does not the probability of the index going on to make a new high will decrease due to the depth of the pullback.



# Capesize July 22 (1 Month forward)

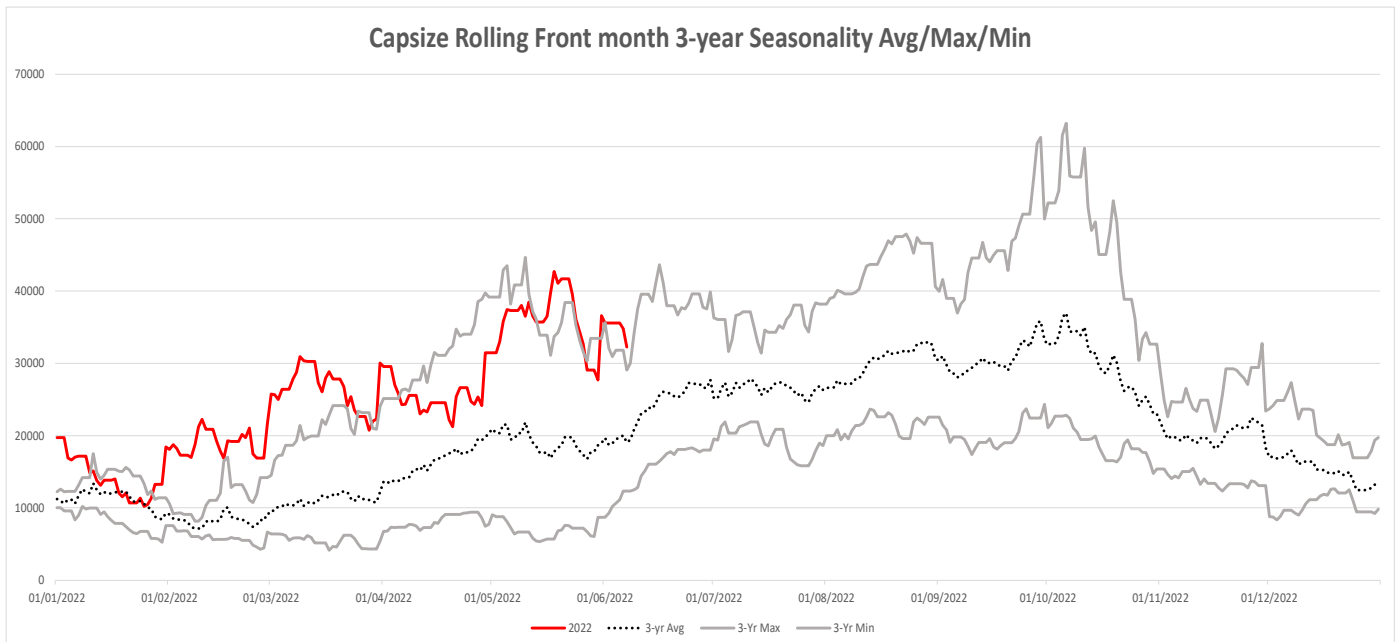


Support		Resistance		Current Price	Bull	Bear
S1	31,687	R1	32,946	31,675	RSI below 50	
S2	27,947	R2	34,937			
S3	25,002	R3	37,637			

## Synopsis - Intraday

- Price is below the 8-21 period EMA
- RSI is below 50 (49)
- Stochastic is below 50
- The futures had entered a corrective phase on the back of the wave cycle completion, resulting in the futures moving further to the downside. The deep pullback below USD 28,690 means we have a neutral bias. The roll into July resulted in the futures trading above the USD 37,637 resistance before correcting, price is below the 8-21 period EMA's with the RSI neutral at 49.5.
- Downside moves below the USD 23,625 level will warn that the USD 21,125 fractal support could be tested. If broken, then the Elliott wave cycle will have failed, warning the technical has the potential to come under further pressure.
- Upside moves above USD 39,500 will target the USD 43,375 high
- Technically bullish with a neutral bias, momentum is currently to the downside, warning support levels could be tested once again. The index will now need to hold support, otherwise the carry will be closed by the futures rather than the index.
- Seasonality does lean to the buyside at this point; however the technical is looking vulnerable to further downside moves and will need to see a bullish reversal patten soon otherwise we could be in trouble.

Source Bloomberg



# Capesize Q3 22

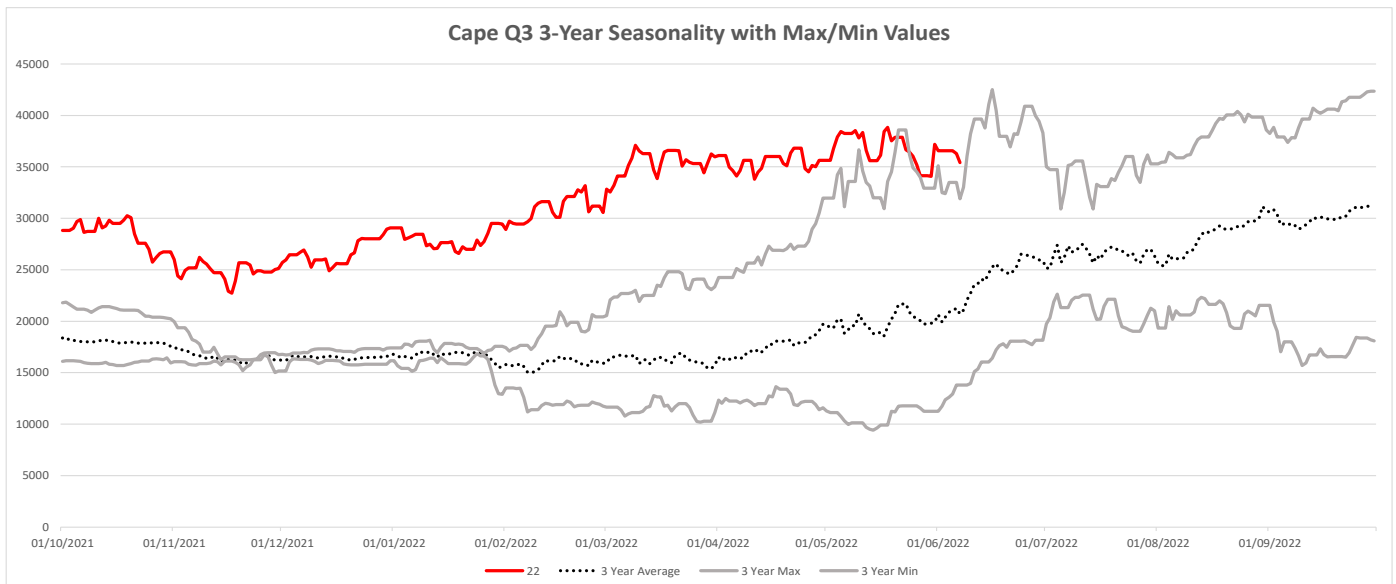


Support		Resistance		Current Price	Bull	Bear
S1	S2	R1	R2			
	34,337		36,690	35,025		RSI below 50
	33,000		37,179			
	31,312		37,841			

## Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA
- RSI is below 50 (47)
- Stochastic is above 50
- As noted on the last report the futures had the potential to enter bear territory, price sold off nearly USD 4,000 to a low of USD 33,000. The upside move in the futures traded up to but not above the USD 39,250 high creating a double top in the market. Price has since corrected with the futures below all key moving averages whilst the RSI is below 50.
- Upside moves that fail at or below USD 37,841 will leave the futures vulnerable to further tests to the downside, above this level the technical is bearish with a neutral bias.
- Technically bearish with momentum to the downside, with near-term support at USD 34,337 and USD 33,000, the RSI is now below 50 with the stochastic starting to show a bearish cross, warning support levels could be tested.
- The Q3 is now pricing in with the futures USD 13,000 above this index, leaving it vulnerable, at this point we seen to be finding seasonality support in the market; meaning, like the July contract the futures look to be dependent on the index holding support levels.



# Capesize Cal 23



	Support	Resistance	Current Price	Bull	Bear
S1	21,687	R1	23,036	Stochastic oversold	RSI below 50
S2	21,377	R2	23,300		
S3	20,936	R3	23,750		

## Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA
- RSI is below 50 (45)
- Stochastic is oversold
- Technically bearish on the last report the upside moves failed to trade above the USD 23,197 resistance resulting in another downside move in the last few days. Price is below all key moving averages supported by the RSI below 50.
- Key resistance is now at USD 23,036, upside moves that fail at or below this level will leave the futures vulnerable to further tests to the downside, above this level we target the USD 23,75 and USD 24,300 resistance levels.
- Downside moves below USD 21,650 will target the USD 21,377 and USD 20,936 support levels.
- Technically bearish, the move in the RSI below 50 is warning that support levels could be tested in the near-term.

