



Capesize Technical Report

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Index

The index is technically bearish, but momentum based on price is now to the buy side, warning resistance levels could be tested. Upside moves that fail at or below the USD 18,965 level will warn that we could be vulnerable to a test to the downside, above this level we have neutral bias. Only above USD 20,190 is the technical bullish. Likewise, downside moves below USD 16,888 will warn that support levels could come under pressure. Bearish, but resistance levels are starting to look vulnerable.

August

The futures roll put price above fractal resistance, meaning the technical is now bullish. Having entered a corrective phase, the futures held key support levels (USD 23,897) resulting in a move higher, downside moves below USD 23,897 will mean the technical has a neutral bias. The RSI is now neutral with the EMA's now flat, indicating a lack of trend in the market. If the RSI moves below 50 then the overbought stochastic is warning that momentum is vulnerable to a test to the downside; however, if the RSI moves above 50 then the stochastic becomes less relevant, suggesting resistance levels could come under pressure. Technically bullish with price holding key support at this point.

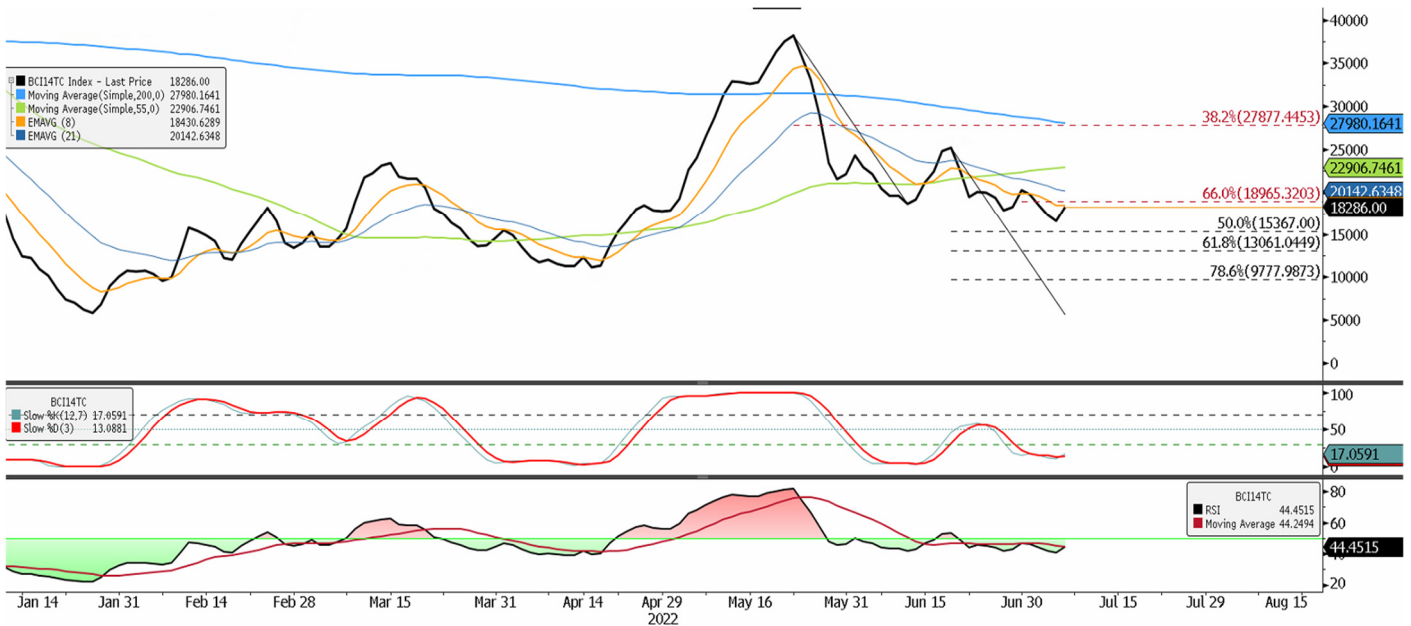
Q4

We previously highlighted that the futures were in divergence warning we could see a test to the upside, whilst any downside move to a new low would not be a technical sell. The futures moved higher, traded to a new low (by USD 200) before moving higher again. We now have a bullish 3-river morning star pattern on the back of a positive divergence, warning that resistance levels could now be tested.

Cal 23

Last week we noted that upside moves should be considered as countertrend. The futures moved higher before trading to a new low. A small-bodied candle yesterday on the back of a positive divergence warned that momentum was slowing down, like the Q4 we now have a bullish 3-river morning star candle pattern in play, warning that resistance levels could be tested. The technical is still bearish, the candle pattern and positive divergence support an upside move from here.

Capesize Index

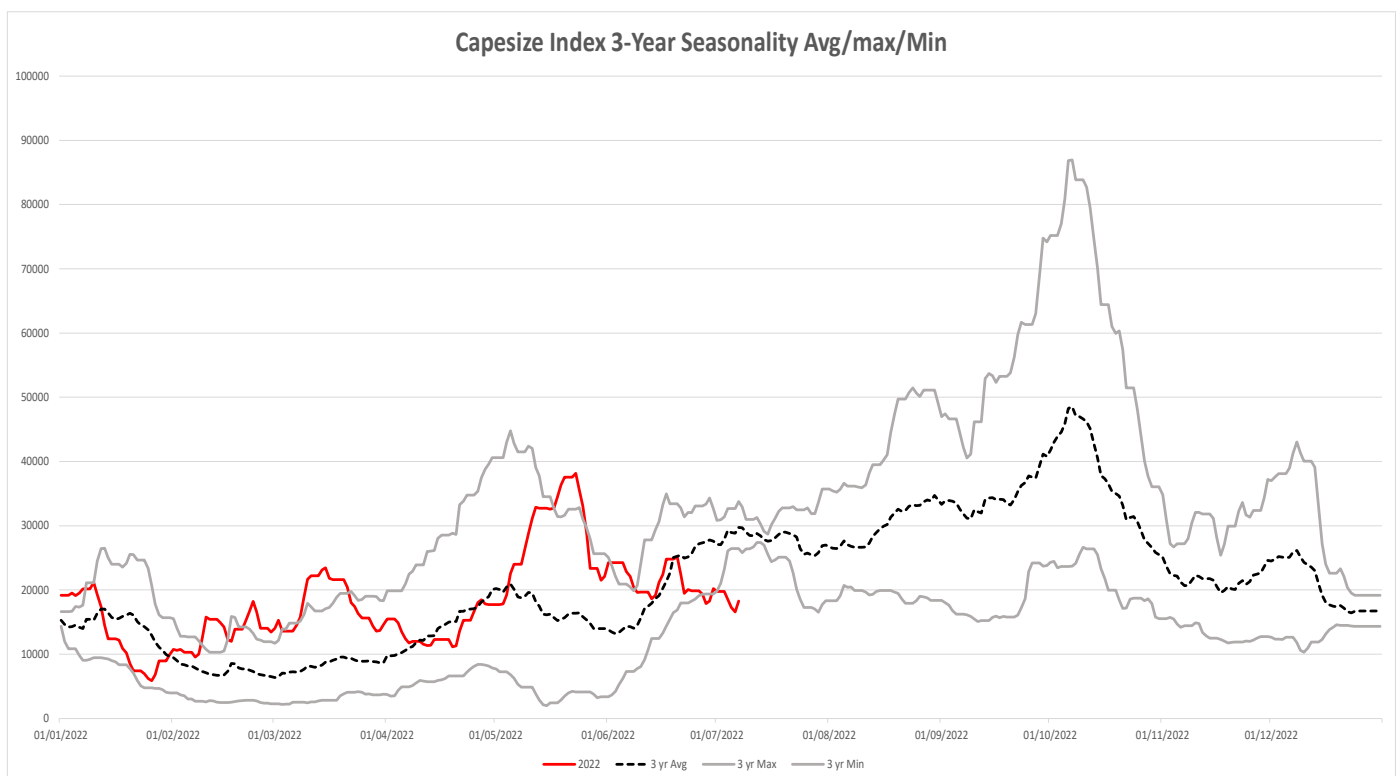


Support	Resistance	Current Price	Bull	Bear
S1	R1	18,286	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (44)
- Stochastic is oversold
- The index traded below the USD 17,672 support last week to a low of USD 16,588. Price is below all key moving averages supported by the RSI below 50.
- Price is currently holding above the USD 15,367 support with the index USD 1,698 higher at USD 18,286. The close above USD 17,936 means that momentum is improving based on price, warning resistance levels could be tested.
- Upside moves that fail at or below USD 18,965 will warn the index is vulnerable to a test to the downside, above this level we have a neutral bias. Only above USD 20,190 is the technical bullish. Likewise, downside moves below USD 16,888 will target the USD 15,367 and USD 13,061 support levels could be tested.
- Technically bearish, momentum is now to the buy side, warning that the USD 18,965 and USD 20,190 resistance levels could be tested.



Capesize August 22 (1 Month forward)

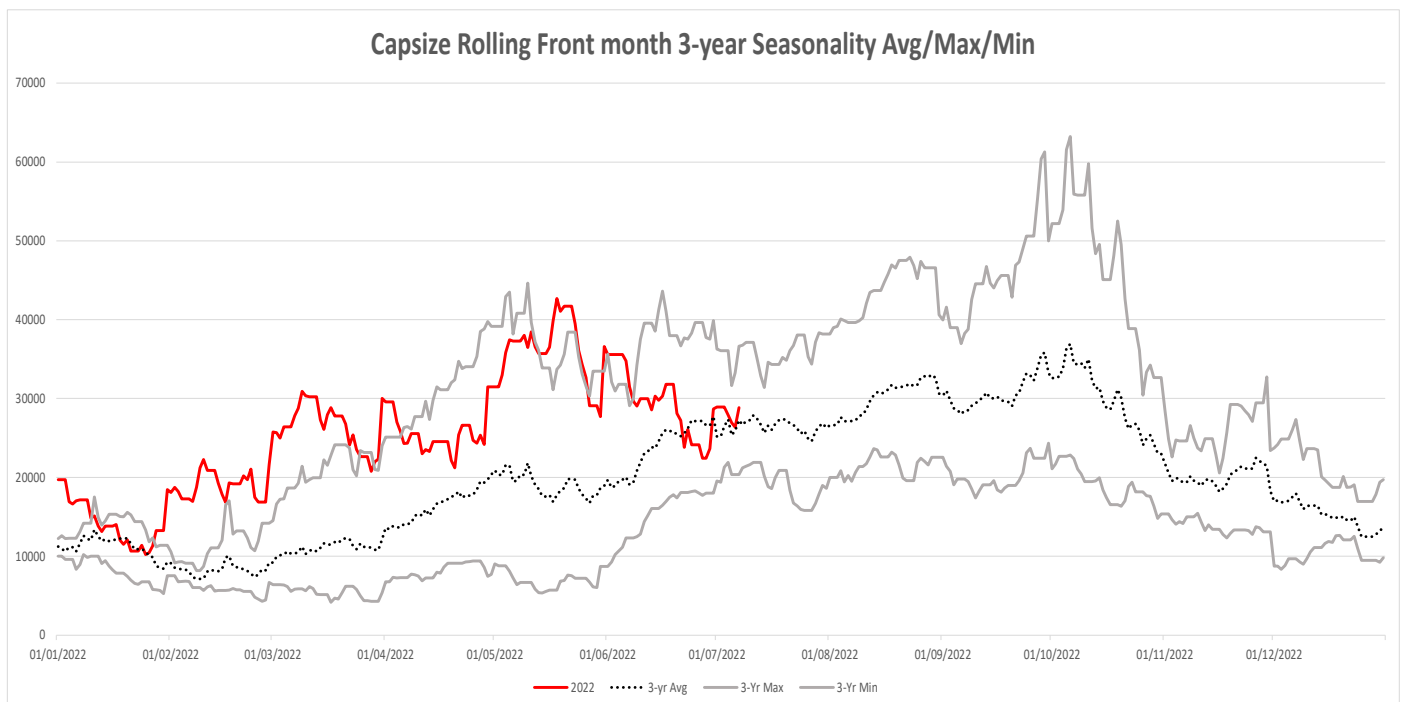


Support		Resistance		Current Price	Bull	Bear
S1	25,437	R1	31,948	28,875		RSI below 50
S2	23,897	R2	33,565			
S3	22,684	R3	35,625			

Synopsis - Intraday

- Price is below the 8-21 period EMA
- RSI is at 50 (50)
- Stochastic is above 50
- The roll into August has resulted in the futures trading above the USD 26,625 fractal resistance, the technical is now bullish. The futures are trading within their moving averages which are flat, indicating a lack of trend in the market. The RSI at 50 is neutral.
- Downside moves that hold at or above USD 23,897 will support a bull argument, below this level the technical will have a neutral bias. Only below 20,625 is the technical bearish.
- Upside moves above USD 30,250 will target the USD 32,750 fractal resistance with the potential to trade as high as USD 35,625.
- Technically bullish with price moving higher, the RSI at 50 is neutral whilst the stochastic is nearing overbought levels. If the RSI moves below 50 then momentum is warning the futures could be vulnerable to a test to the downside. However, if the RSI moves above and holds above the 50 level the overbought stochastic is less relevant, warning resistance levels could be tested.

Source Bloomberg



Capesize Q4 22

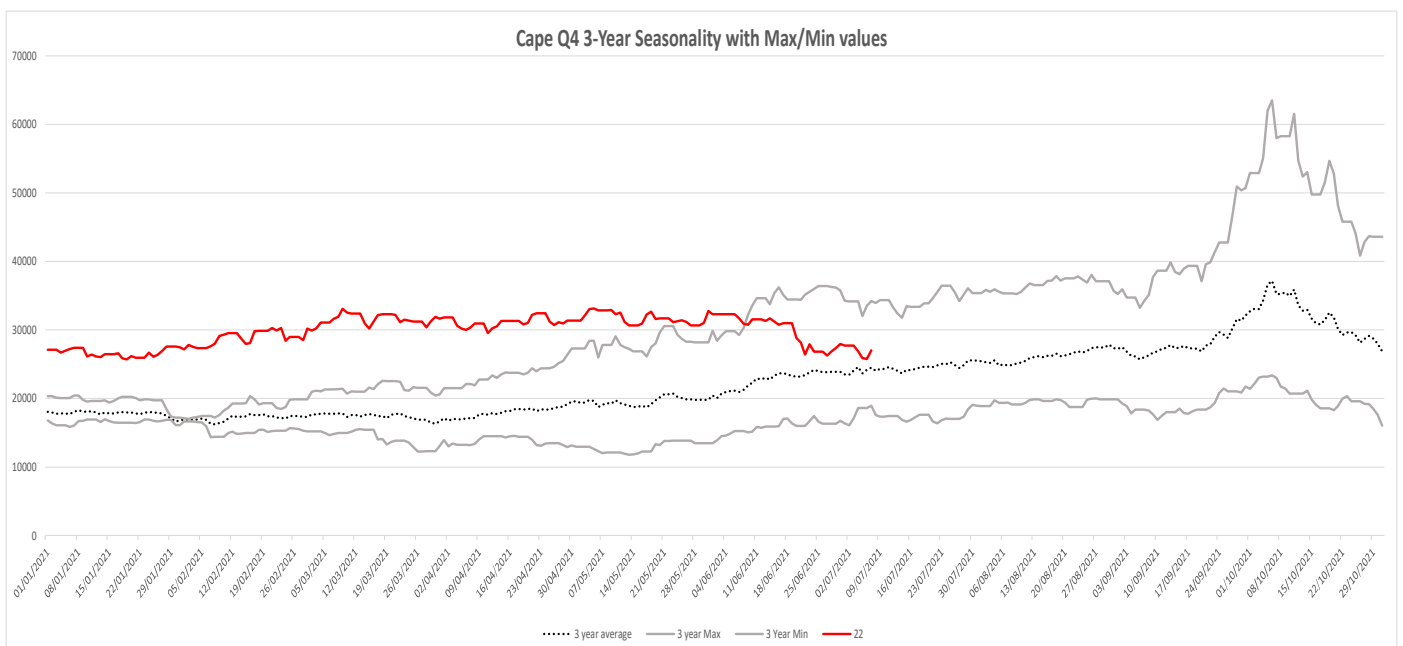


	Support	Resistance	Current Price	Bull	Bear
S1	25,375	R1	27,000	Stochastic oversold	RSI below 50
S2	24,822	R2			
S3	23,823	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the 8-21 period EMA
- RSI is below 50 (41)
- Stochastic is oversold
- On the last report we noted that an intraday divergence was warning that we had the downside trend was potentially exhausting. However, corrective moves below the USD 25,375 would imply that the downside cycle could be extending ; however, the futures would not be considered a technical sell on a new low. The futures traded higher before trading to a low of USD 25,375, we are now trading at USD 27,000. Price is between the 8-21 period EMA's with the RSI below 50.
- Upside moves that fail at or below USD 27,437 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 28,500 is the technical bullish.
- Not a technical sell on a new low yesterday, the futures produced a small, bodied candle on a positive divergence yesterday, a strong upside move today means we have a 3-river morning star candle pattern (providing we close around these levels). This is a bullish candle pattern and warns that upside resistance levels could come under pressure in the coming days.



Capesize Cal 23



Support	Resistance	Current Price	Bull	Bear
S1	R1	18,900	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA
- RSI is below 50 (38)
- Stochastic is oversold
- We noted last week that upside moves should be considered as countertrend as intraday Elliott wave analysis warned that we had the potential for more downside within this cycle. The futures traded up to USD 19,800 before making a new low at USD 18,125. Price is higher today but below the 8-21 period EMA's with the RSI below 50.
- Upside moves that fail at or below USD 19,230 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 19,800 is the technical bullish.
- The technical is bearish, the futures are rallying on the back of a positive divergence with another 3-river morning star pattern in play, warning resistance levels could be tested.

