



Capesize Technical Report

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Index

The index is technically bullish but in a corrective phase with momentum based on price aligned to the sell side. The RSI at 51 is near neutral with the stochastic in overbought territory, momentum is warning that the index is vulnerable to a test to the downside. However, if the RSI can hold above the 50 level, then the stochastic is considered less relevant, this would also support a bull argument. If price moves much lower the USD 18,655 support will become vulnerable.

August

Technically bullish last week, the RSI was near-neutral at 52 whilst the stochastic was overbought; if the RSI moved below 50 then momentum would be vulnerable to a test to the downside. If the RSI held above 50 then the futures had the potential to enter a bullish trending environment. The RSI moved below 50, the futures traded below the USD 25,500 fractal support, meaning the technical is now bearish. Intraday Elliott wave analysis would suggest upside moves should be considered countertrend at this point with USD 26,200 – USD 26,900 an area of interest for market sellers. However, upside moves that fail at or below USD 28,035 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 30,500 is it bullish.

Q4

We have moved to the rolling front QTR chart to illustrate the Elliott wave cycle. We appear to have had a shallow pullback for the wave-4 with price trading to a new low yesterday, meaning the minimum requirement for phase/cycle completion has been met. Near-term support is at USD 22,652; however, using the Williams approach we have a potential downside target as low USD 19,348. Price is now in divergence with the RSI, warning we have the potential to see a momentum slowdown. Upside moves above USD 28,000 will have bullish implications going forward as it would confirm the downside cycle has completed. Point of note: The Cal 23 cycle is very unclear, which to me is warning it may have already completed, suggesting caution on bearish moves on the Q4 from here.

Cal 23

Technically bullish on the last report the futures have entered a corrective phase, the deep pullback means we now have a neutral bias. Below USD 17,950 would be bearish; however, this would create a third positive divergence, meaning the futures would not be considered a technical sell. Upside moves above USD 19,200 will target the USD 19,800 fractal resistance. Technical bullish with a neutral bias, as just highlighted in the Q4, we may already have completed the bearish Elliott wave cycle, suggesting caution on downside moves.

Capesize Index

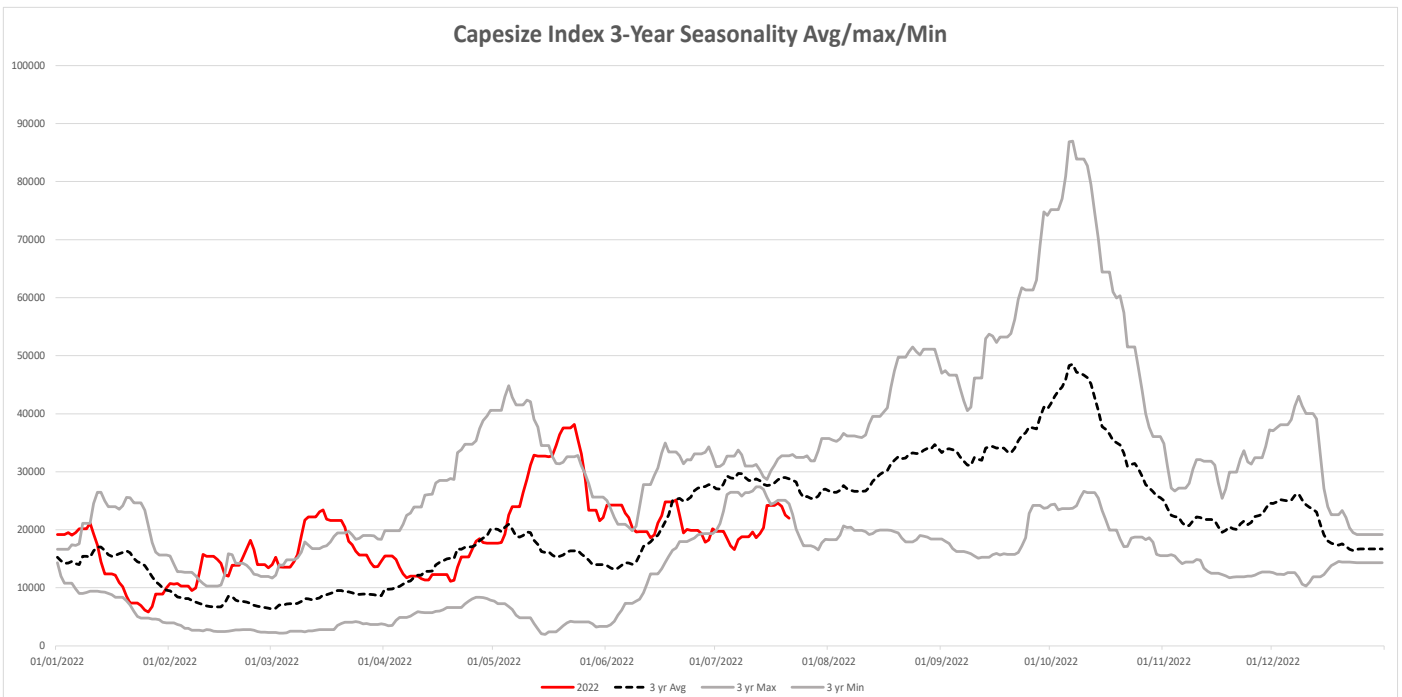


Support	Resistance	Current Price	Bull	Bear
S1	R1	21,999	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (51)
- Stochastic is overbought
- Technically bullish the index traded above the USD 23,667 resistance to a high of USD 24,603. Price is now in a corrective phase but remains above the 8-21 period EMA's supported by the RSI above 50.
- Upside moves above USD 24,603 will target the USD 26,667 and USD 29,793 resistance levels. Likewise, downside moves below USD 18,655 will put the technical in bearish territory.
- Technically corrective with momentum aligned to the sell side, a close above USD 23,479 will mean it is aligned to the buy side.
- The RSI at 51 is near neutral with the stochastic in overbought territory, if the RSI moves below 50 then momentum will warn the technical is vulnerable to further tests to the downside. However, if the RSI holds above 50 then the stochastic becomes less relevant.
- Bullish but in a corrective phase, momentum based on price is aligned to the sell side with momentum looking vulnerable, if we move much lower then the USD 18,665 support will be vulnerable.



Capesize August 22 (1 Month forward)

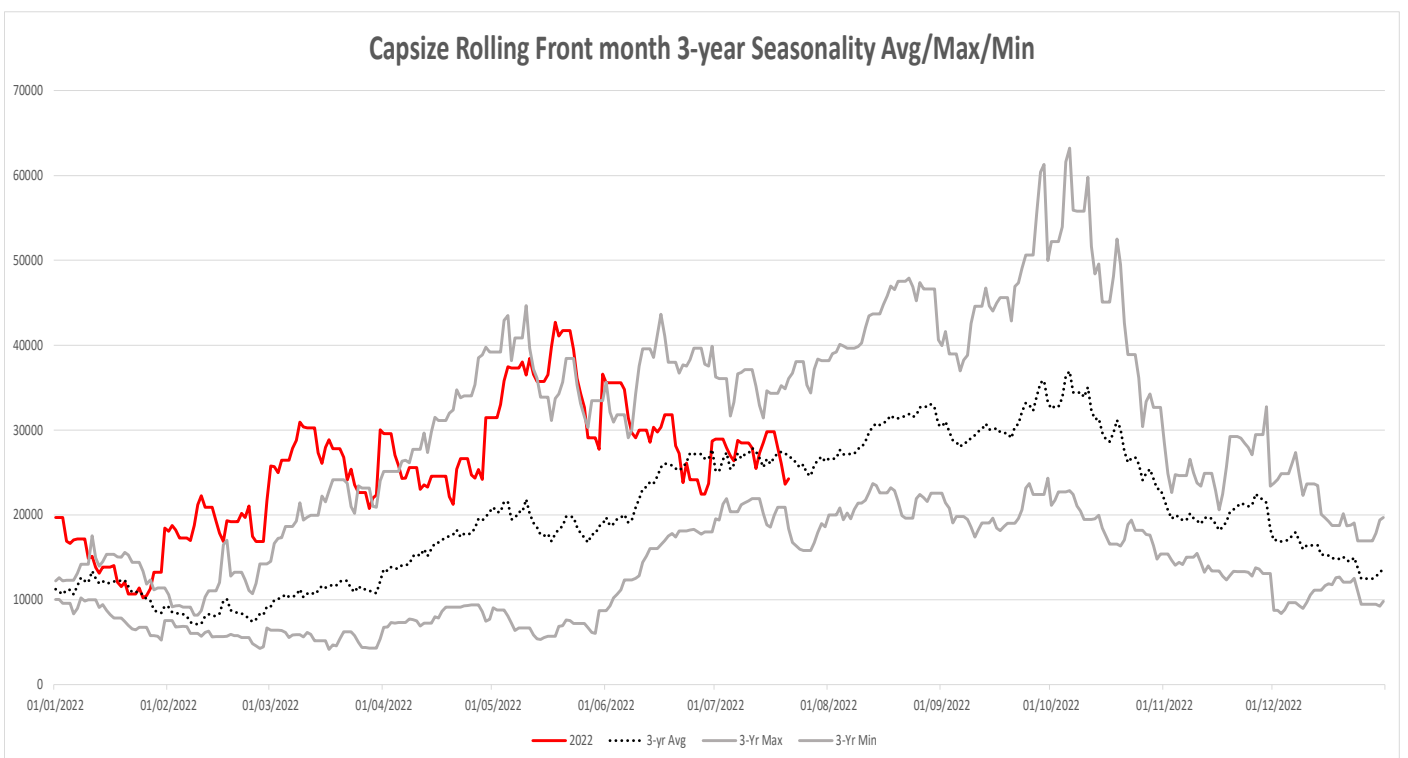


	Support	Resistance	Current Price	Bull	Bear
S1	23,289	R1	26,109	Stochastic oversold	RSI below 50
S2	21,062	R2	26,875		
S3	20,625	R3	28,035		

Synopsis - Intraday

- Price is below the 8-21 period EMA
- RSI is above 50 (44)
- Stochastic is oversold
- As noted on the last report the RSI at 52 was near-neutral whilst the stochastic was overbought. The RSI needed to hold above 50 otherwise momentum would be vulnerable to a test to the downside. If we did hold above 50 it warned we had the potential to enter a bullish trending environment. The RSI moved below 50 and futures broke the USD 25,500 fractal support, meaning the technical is now bearish. Price is below all key moving averages supported by the RSI below 50.
- Upside moves that fail at or below USD 28,035 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 30,500 is the technical bullish.
- Technically bearish due the move below USD 25,500, intraday Elliott wave analysis would suggest that upside moves should be considered as countertrend, warning the USD 21,062 and USD 20,625 support levels could be vulnerable. Just an observation but in terms of resistance, we can see there has been a lot of activity between the USD 26,200 and USD 26,900 suggesting this could be an area of interest for market sellers if tested.

Source Bloomberg



Capesize Q4 22 (Rolling front QTR)

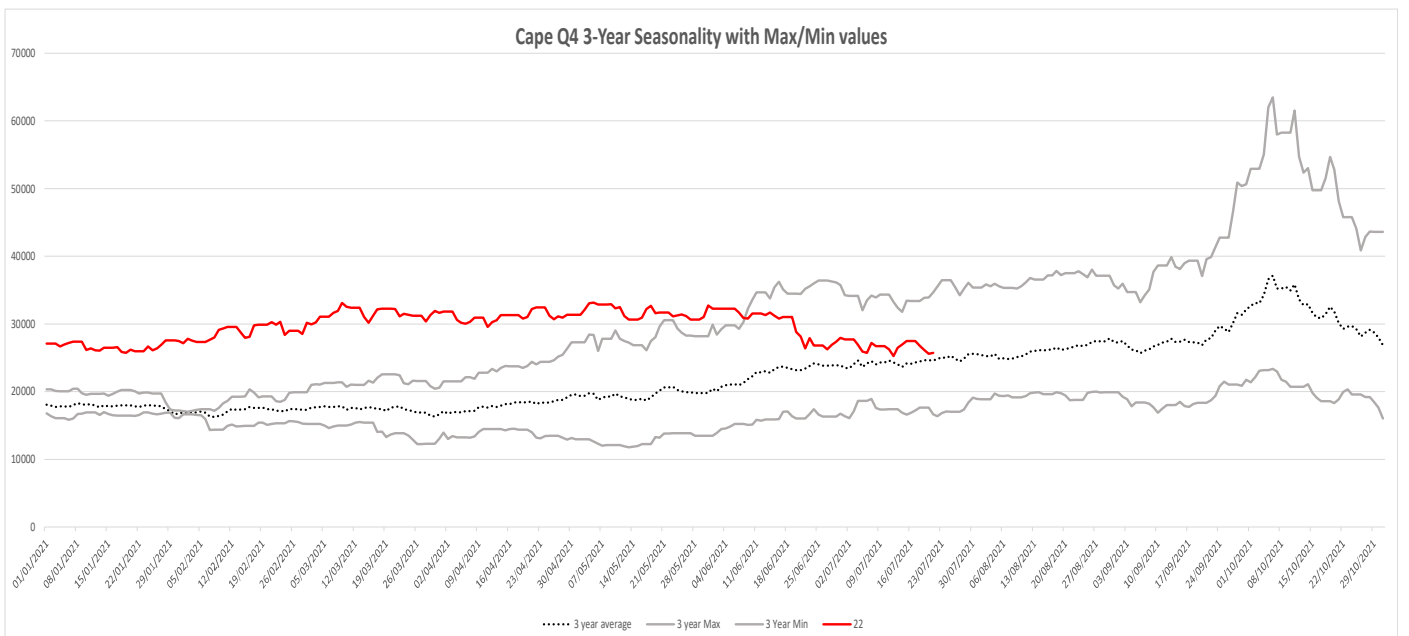


	Support	Resistance	Current Price	Bull	Bear	
S1	28,000	R1	25,675		RSI below 50	
S2	28,500	R2				21,000
S3	29,791	R3				19,384

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is below 50 (39)
- Stochastic is below 50
- Technically bullish on the last report the RSI failed to move above 50 resulting in the futures moving to the downside. Price is below all key moving averages supported buy the RSI below 50.
- The futures have traded to a new low meaning the technical is once again bearish. The random price movement we have seen in the last 10 days or so would suggest we were potentially in a corrective wave 4. We can see from the pullback in late May that it was deep (created a double top – Wave2), the rule of alternation would then support a shallow pullback for the wave 4.
- We have moved to a rolling front quarter chart to illustrate the Elliott wave count (As I interpret it). The new low means the futures are in divergence with the RSI, the minimum requirement for wave completion has now been met. However, using the William’s approach we now have near-term downside support at USD 22,652 with the potential to trade as low as USD 19,348.
- If we trade above USD 28,000 it will have bullish implications going forward ,as it will confirm the bearish Elliott wave phase has completed.



Capesize Cal 23



	Support	Resistance	Current Price	Bull	Bear
S1	17,950	R1	19,230		RSI below 50
S2	17,641	R2	19,441		
S3	17,641	R3	19,800		

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA
- RSI is below 50 (39)
- Stochastic is below 50
- Technically bullish on the last report the futures have entered a corrective phase having failed to trade above the USD 19,230 resistance. The downside move means the futures have a neutral bias. Price is below all key moving averages supported by the RSI below 50.
- Downside moves that trade below USD 17,950 will be bearish; however, this would create a third positive divergence for the RSI. Not a buy signal it does warn we are witnessing a momentum slowdown, meaning the futures would not be considered as a technical sell on a new low.
- Upside moves above USD 19,200 will target the USD 19,800 fractal resistance. It is not the clearest Elliott wave cycle which to me is warning it may have already completed.

