



Capesize Technical Report

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Index

Technically bullish on the last report with momentum based on price aligned to the sell side, whilst momentum indicators warned that support levels could be tested, resulting in the index moving to the downside. The upside move today means that momentum based on price is aligned to the buy side, whilst the RSI is testing the top of a support zone, warning resistance levels could be tested. Technically bearish with momentum aligned to the buy side, upside moves that fail at or below USD 20,215 will leave the technical vulnerable to further tests to the downside.

September

The break in the USD 25,500 support had warned that the USD 21,062 and USD 20,625 support levels could be vulnerable, which proved to be the case. Price is now moving higher on the back of a positive divergence with the RSI; however, we have a resistance zone between USD 21,125 and USD 23,625 (previous support area), if it holds then the USD 16,250 low could come under pressure. If broken, then we target the USD 25,655 resistance, upside moves that fail at or below this level will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Technically bearish, price is currently holding below the resistance zone; however, the upside move on the back of the divergence is warning that downside momentum could be slowing, though as we will see on the Q4 22 and Cal 23 these upside moves are considered as countertrend.

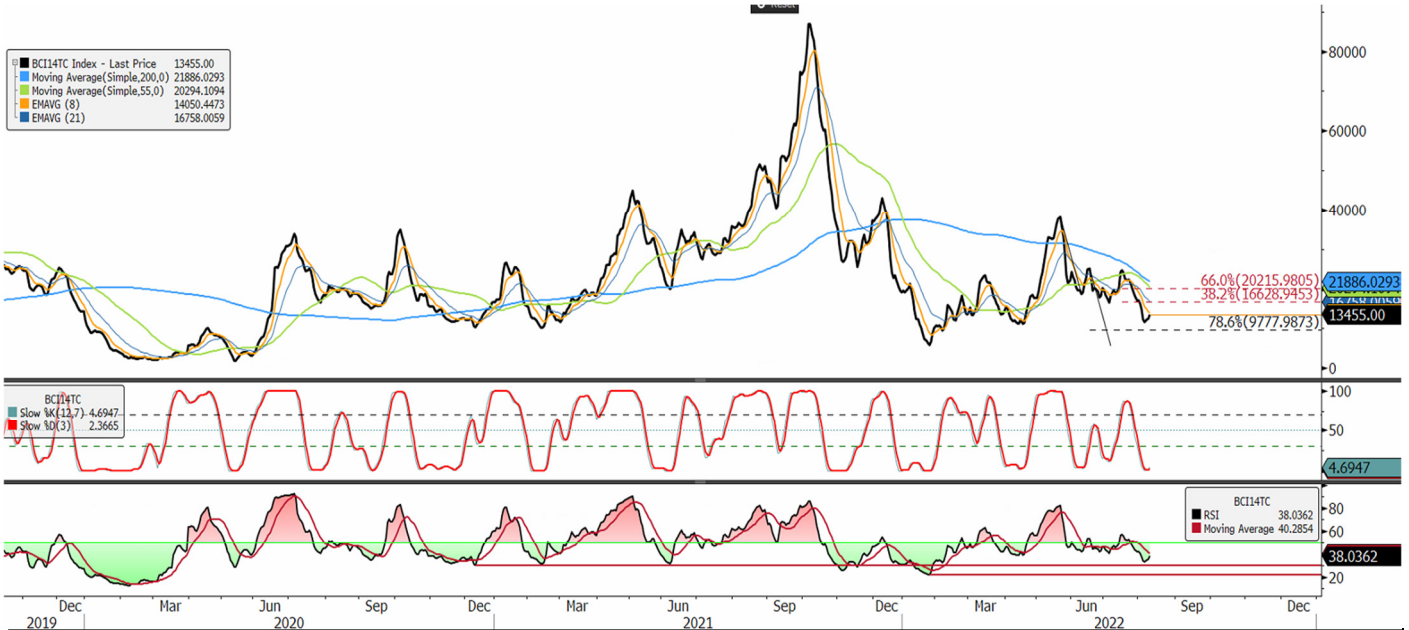
Q4 22

Technically bearish with a potential downside target as low as USD 19,348 which has been achieved. The move lower has pushed the RSI to a new low suggesting the initial 5-wave pattern is part of a larger cycle; wave analysis would suggest that upside moves should be considered as countertrend. It is worth noting that the wave count is based on the rolling front quarter, suggesting that the wave 5 of the larger cycle is likely to coincide with the roll into the Q1 23, which is heavily discounted. At this point we look to be on a higher timeframe wave 3. Technically bearish, upside moves that fail at or below USD 24,286 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.

Cal 22

Our wave count was not clear on the last report with price in divergence with the RSI, meaning we did not have this one as a technical sell; however, price did move significantly lower. The RSI is now making new lows, suggesting the current upside move is countertrend, key resistance is at USD 18,066, the futures are bearish below and neutral above.

Capesize Index

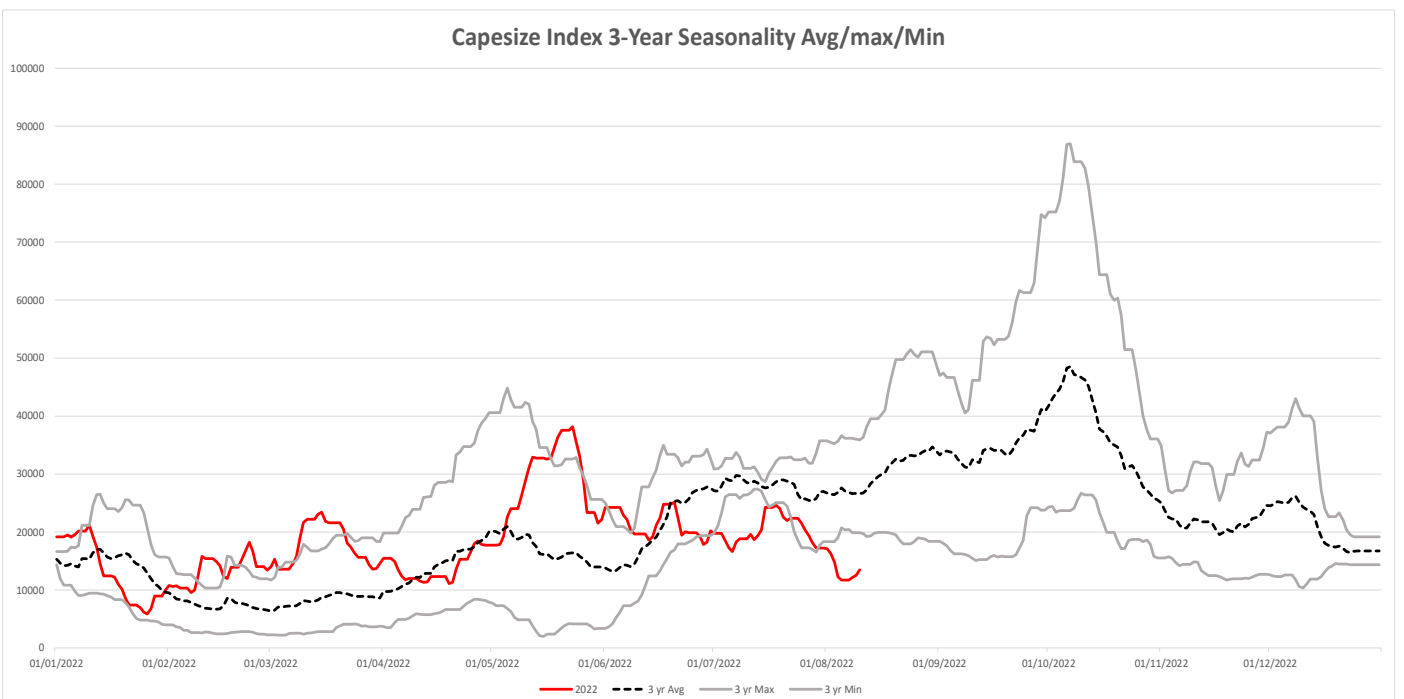


	Support	Resistance	Current Price	Bull	Bear
S1	11,700	R1	16,628	Stochastic oversold	RSI below 50
S2	11,127	R2	20,215		
S3	9,777	R3	24,603		

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (38)
- Stochastic is oversold
- As noted on the last report, the index although technically bullish momentum based on price was aligned to the sell side, whilst the RSI/Stochastic combination warned that momentum indicators were vulnerable to a test to the downside. Price traded below the USD 18,655 support meaning the technical entered bearish territory, resulting in a move down to USD 11,700. Price is below the 8-21 period EMA's with the RSI below 50.
- The upside move today above USD 12,474 means momentum based on price has turned to the buyside. Upside moves that fail at or below USD 20,215 will leave the technical vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the RSI is now near the top of it support zone with momentum based on price aligned to the buyside, warning resistance levels could be tested in the near-term.



Capesize September 22 (1 Month forward)

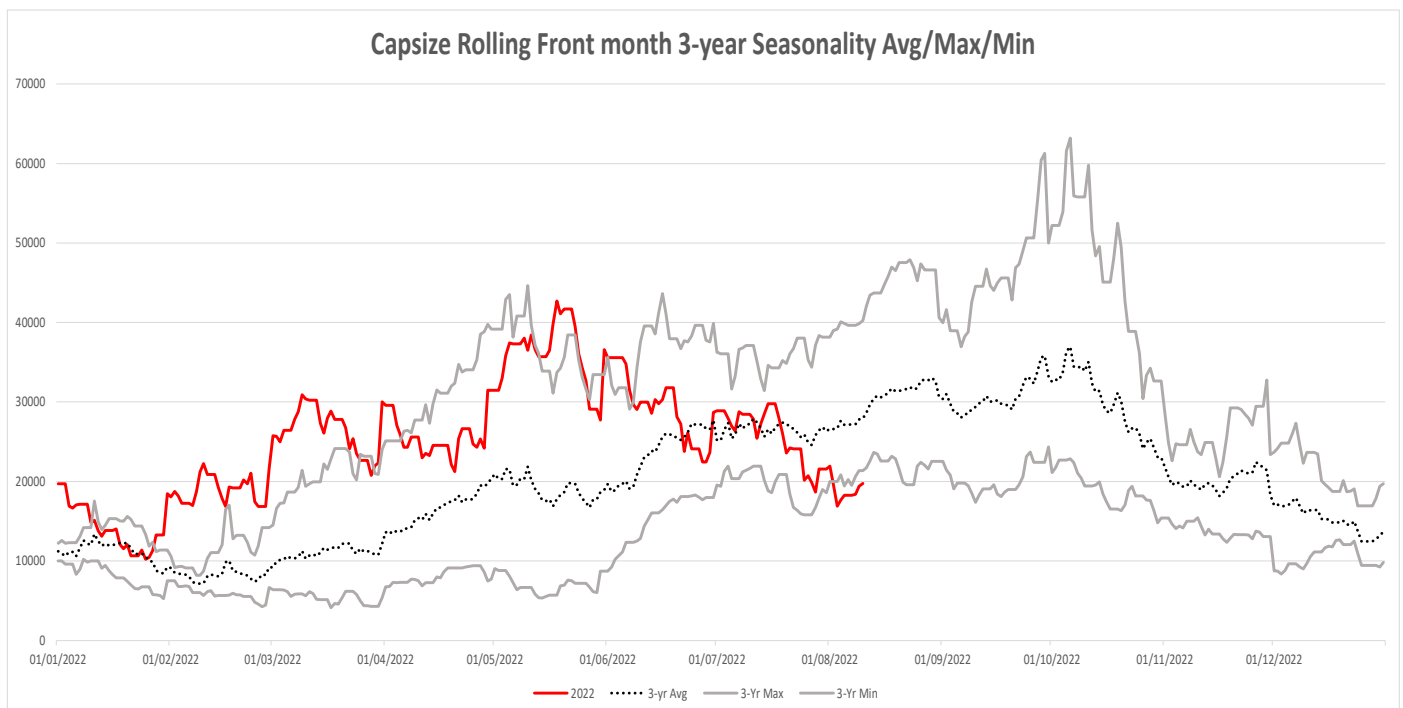


Support		Resistance		Current Price	Bull	Bear
S1	16,250	R1	21,693	19,375	Stochastic oversold	RSI below 50
S2	15,664	R2	23,375			
S3	11,625	R3	25,655			

Synopsis - Intraday

- Price is below the 8-21 period EMA
- RSI is above 50 (44)
- Stochastic is oversold
- As previously highlight the move below USD 25,500 meant the technical had entered bearish territory with upside moves considered as countertrend, warning the USD 21,062 and USD 20,625 support levels could be vulnerable. Price traded to a low of USD 16,250. The futures have moved higher on the back of a positive divergence with the RSI meaning price is between the 8-21 period EMA's with the RSI still below 50.
- Upside moves that fail at or below USD 25,655 will level the technical vulnerable to further tests to the downside, above this level the technical will have a neutral bias. However, we have a resistance zone (highlighted on the chart) between USD 21,125 and USD 23,625 that had previously acted as a support area. A rejection of the resistance zone will warn that the USD 16,250 low could come under pressure; likewise, a move that trades above and closes above the zone would suggest the USD 25,655 level could be tested and broken.
- Technically bearish with price currently holding below the resistance zone, the futures have reacted to the positive divergence suggesting downside momentum is slowing.

Source Bloomberg



Capesize Q4 22 (Rolling front QTR)

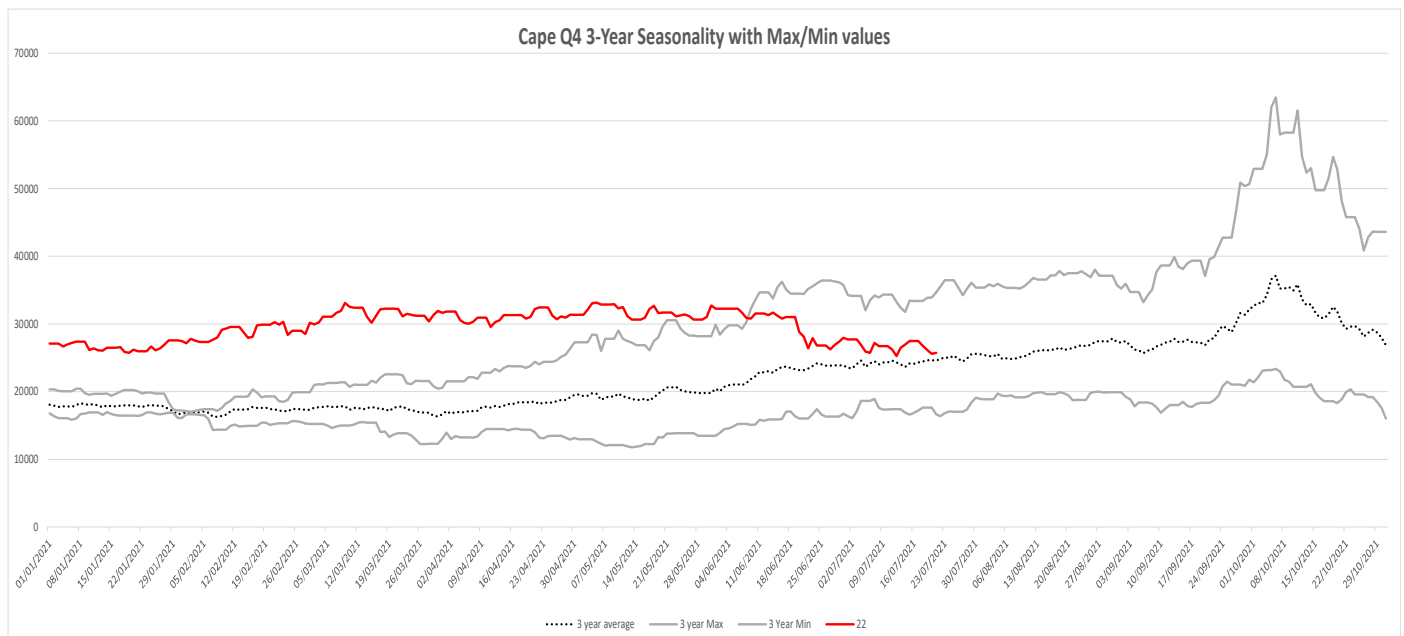


	Support	Resistance	Current Price	Bull	Bear
S1	16,650	R1	21,070	Stochastic oversold	RSI below 50
S2	14,000	R2	22,435		
S3	10,220	R3	24,286		

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is below 50 (39)
- Stochastic is below 50
- Last time we focused on the Elliott wave cycle which looked to have been entering a bearish wave-5 with a potential downside target based on the Williams approach as low as USD 19,348. Part of this was correct, the technical was bearish and we did trade down to and below the USD 19,348 level (low USD 16,650). However, the strength of the recent downside moves has pushed the RSI to new lows, suggesting that the wave cycle has not yet completed, meaning the initial 5 wave move lower has become wave 1 of a larger cycle that is now in play. Price is below all key moving averages supported by the RSI below 50. Note, this wave cycle is the rolling front quarter, meaning there is a good chance that the wave 5 will come from the roll into Q1 23, as this is heavily discounted.
- Upside moves that fail at or below USD 24,286 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish with momentum currently to the buyside. Elliott wave analysis would suggest that this upside moves is considered as countertrend at this point.



Capesize Cal 23



	Support	Resistance	Current Price	Bull	Bear
S1	15,359	R1	16,250	Stochastic oversold	RSI below 50
S2	14,150	R2			
S3	12,624	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA
- RSI is below 50 (37)
- Stochastic is oversold
- The Elliott wave cycle was not clear on the last report whilst the futures had produced another divergence, implying the Cal was not considered a technical sell. Price did move significantly lower, meaning we were off base on this one, as the futures traded to a low of USD 14,700. Price is below all key moving averages supported by the RSI below 50.
- Upside moves that fail at or below USD 18,066 will leave the futures vulnerable to further tests to the upside, above this level the technical will have a neutral bias.
- The RSI has made a new low alongside price suggesting the current upside move is countertrend.
- Technically bearish

