



Capesize Technical Report

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Index

The upside move last week failed to hold resulting in the index trading down to new lows. We remain technically bearish with price below all key moving averages, supported by the RSI below 50. A close above USD 9,527 will mean momentum is improving based on price; however, upside moves that fail at or below USD 11,324 will leave the index vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Technically bearish, we are now at very low levels with near-term support at USD 5,596, further support is between USD 5,196 and USD 4,324.

Sep

The futures had moved higher on the back of a positive divergence last week, warning sell side momentum was slowing. However, we highlighted a resistance zone between USD 21,125 – USD 23,625 as being important, if it held the USD 16,250 fractal low would be vulnerable. Resistance held, resulting in the futures trading to a new low. Price remains in a bearish trending environment with a near-term downside target at USD 10,099, however the intraday technical is in divergence and this will need to be monitored.

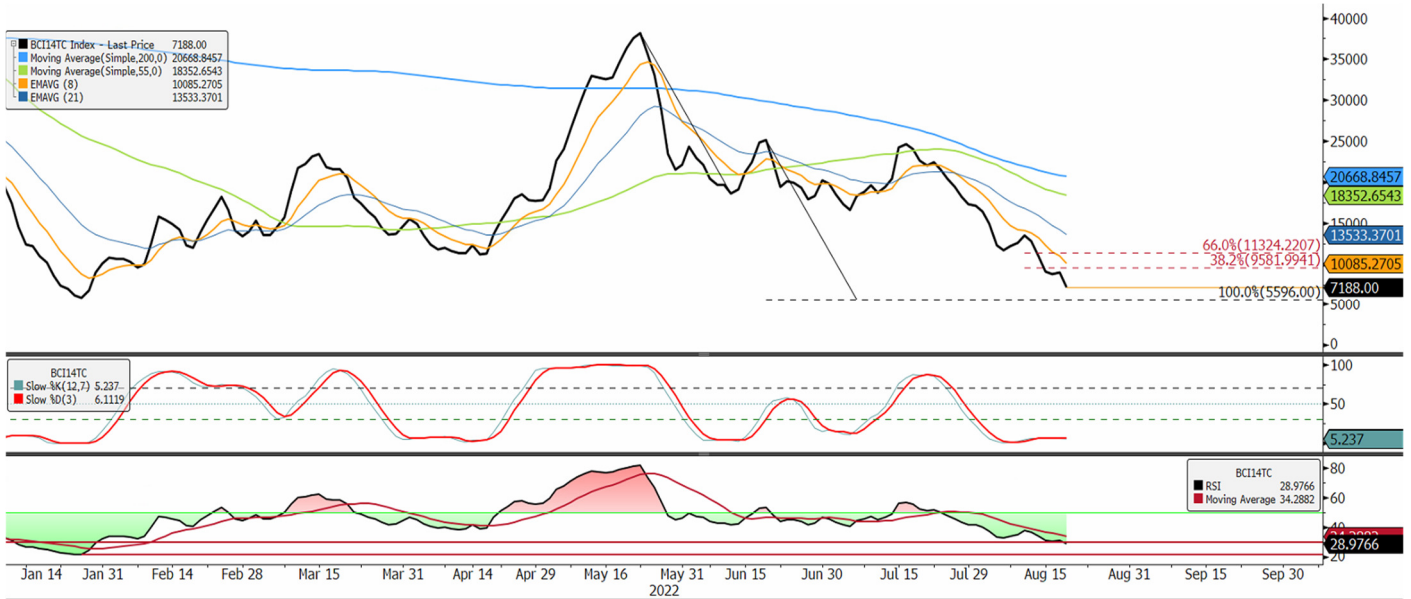
Q4

We noted last week that the upside move was considered as countertrend as the technical remained bearish. Price failed to hold, resulting in the futures trading to new lows. Price is now testing the USD 15,962 support; however, using the William's approach we have a potential downside target as low as USD 13,312 for this phase of the cycle. Technically bearish with the futures still on an Elliott wave 3, price is now in divergence with the RSI. Not a buy signal it will need to be monitored as the minimum requirement for phase completion has now been achieved.

Cal 23

Last week we highlighted the upside move as being countertrend. This proved to be the case with the case with the futures trading to new lows. The technical remains bearish with a potential downside target for this phase of the cycle as low as USD 13,469. As with the Q4 we are in divergence which will need to be monitored going forward.

Capesize Index

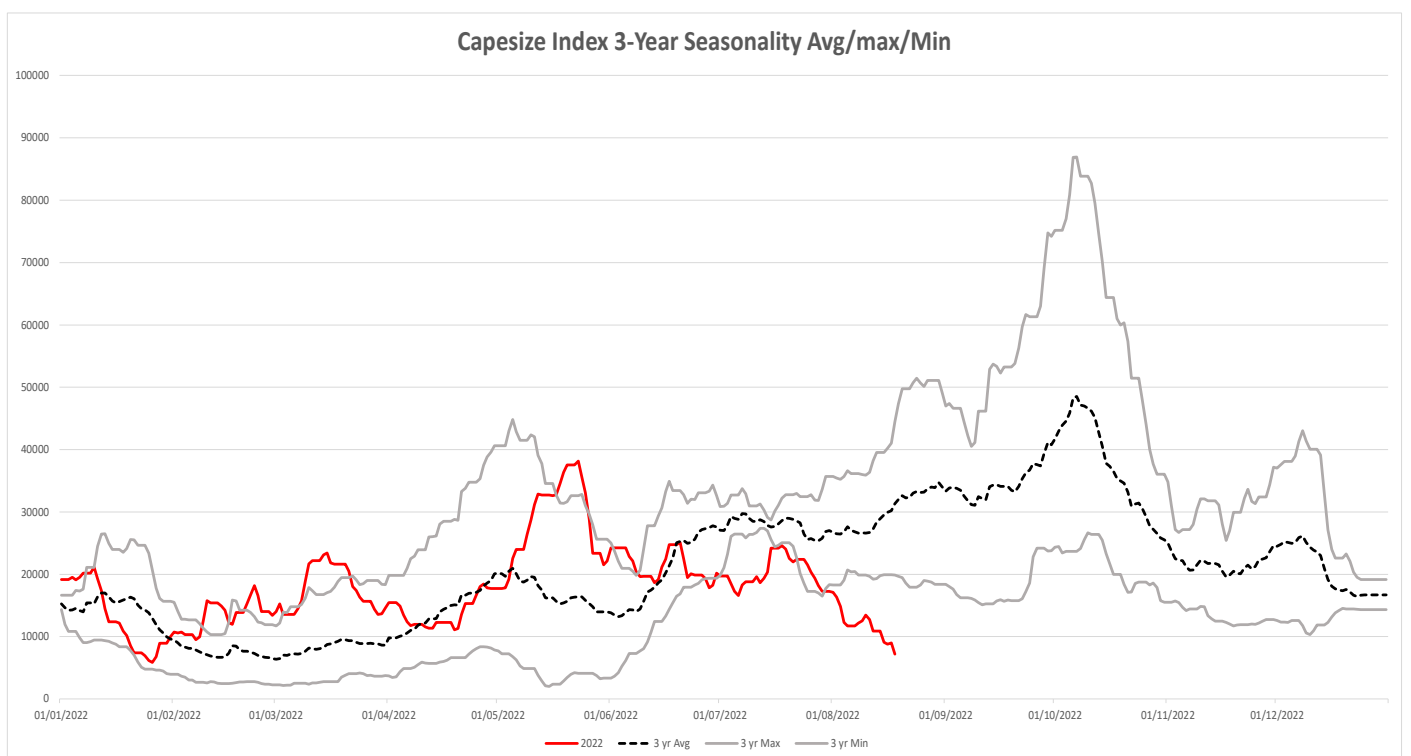


| Support | Resistance | Current Price | Bull | Bear |
|---------|------------|---------------|---------------------|--------------|
| S1 | R1 | 7,188 | Stochastic oversold | RSI below 50 |
| S2 | R2 | | | |
| S3 | R3 | | | |

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (28)
- Stochastic is oversold
- Technically bearish on the last report with momentum based on price aligned to the buy side with the RSI had holding the top of its support band. Price failed to move higher with the index moving lower the following day. Price is below all key moving averages supported by the RSI above 50.
- A close above USD 9,527 will mean that momentum is improving based on price. Upside moves that fail at or below USD 11,324 will leave the index vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The technical remains in a bearish trending environment with the RSI entering the support zone. Near-term support is at USD 5,596 with further support at USD 5,196 – USD 4,324. Upside moves above USD 13,455 will be considered as bullish.



Capesize September 22 (1 Month forward)

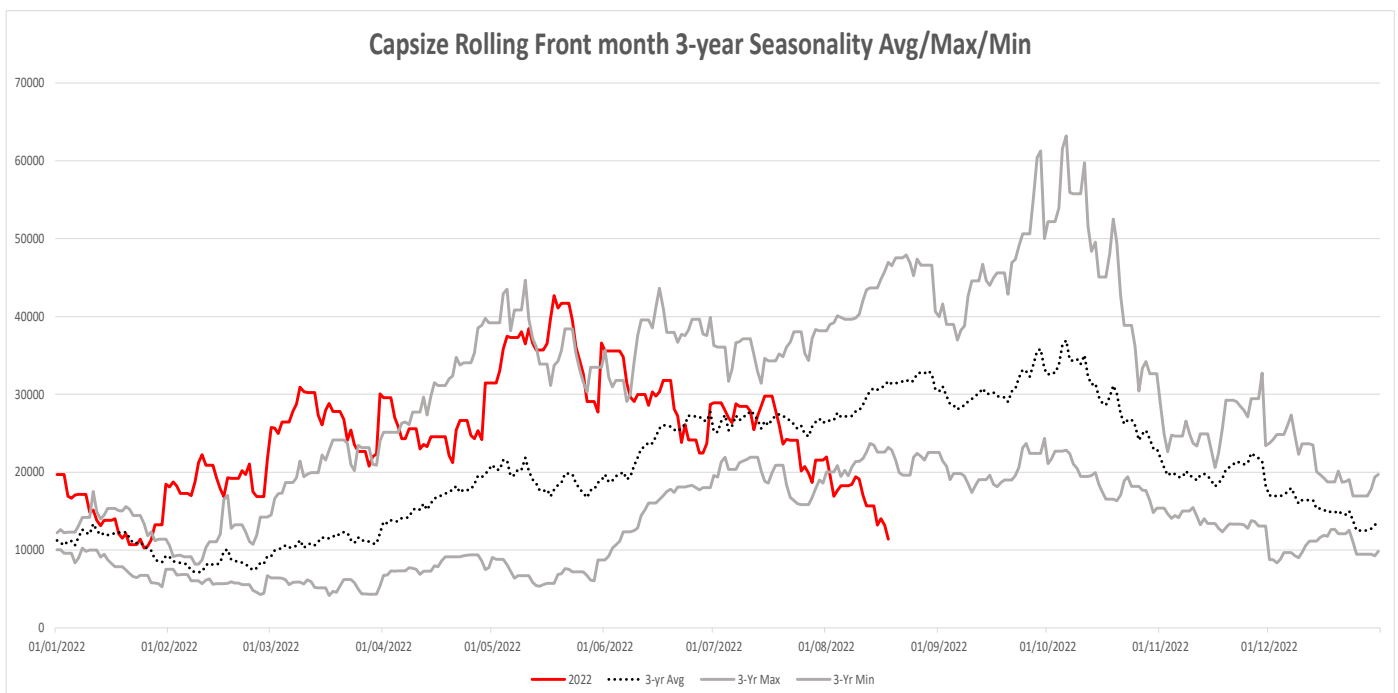


| | Support | Resistance | Current Price | Bull | Bear |
|----|---------|------------|---------------|--------|---------------------|
| S1 | 10,987 | R1 | 14,750 | 11,500 | Stochastic oversold |
| S2 | 10,099 | R2 | 15,033 | | |
| S3 | 8,835 | R3 | 16,125 | | |
| | | | | | RSI below 50 |

Synopsis - Intraday

- Price is below the 8-21 period EMA
- RSI is below 50 (33)
- Stochastic is oversold
- Technically bearish on the last report with the futures moving higher on the back of a positive divergence. However, we highlighted a resistance area between USD 21,125 – USD 23,625, a rejection of this resistance zone would warn that the USD 16,250 low could come under pressure. The resistance zone held, and price traded to a new low. The futures remain below all key moving averages supported by the RSI below 50.
- Upside moves that fail at or below USD 17,605 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. We can see highlighted on the chart that this has been an area of interest on 5 separate occasions this year, suggesting USD 16,000 – USD 17,605 could be a key resistance area going forward.
- The intraday technical is in divergence; however, based on the intraday Elliott wave cycle we have a near-term downside target at USD 10,099.
- Technically bearish the intraday divergence will need to be monitored.

Source Bloomberg



Capesize Q4 22 (Rolling front QTR)

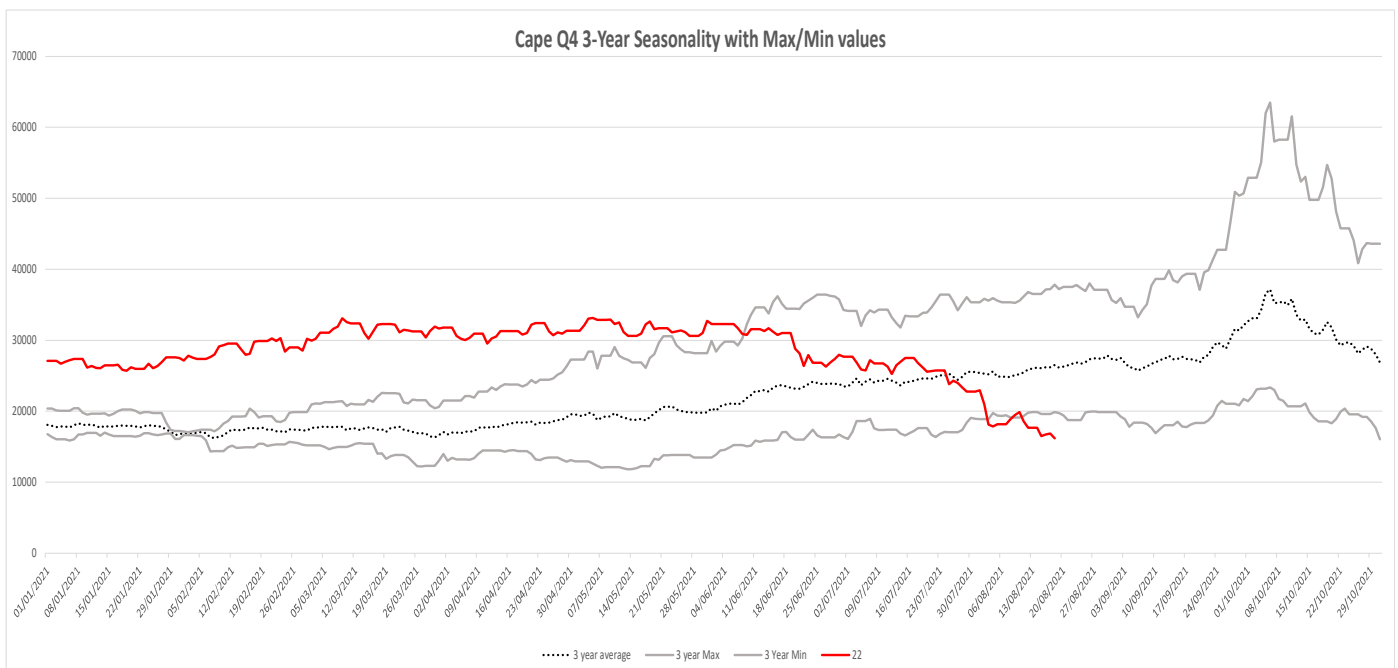


| | Support | Resistance | Current Price | Bull | Bear |
|----|---------|------------|---------------|---------------------|--------------|
| S1 | 15,962 | R1 | 21,070 | Stochastic oversold | RSI below 50 |
| S2 | 14,637 | R2 | 22,435 | | |
| S3 | 13,312 | R3 | 24,286 | | |

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA
- RSI is below 50 (28)
- Stochastic is oversold
- As noted last week the futures were technically bearish with the upside move considered to be countertrend. The upside move failed below the Fibonacci resistance zone resulting in the futures trading to a new low. Price is below all key moving averages supported by the RSI below 50.
- Upside moves above USD 20,250 would suggest we have completed the bearish wave 3 and entered a countertrend wave 4. However, 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.
- The futures are now testing the USD 15,962 support; however, using the Williams approach we have a potential downside target as low as USD 13,312 for this phase of the cycle.
- Technically bearish the futures are now in divergence on the daily and intraday technical, not a buy signal, this will need to be monitored as the minimum requirement for this phase of the cycle has now been achieved.



Capesize Cal 23



| | Support | Resistance | Current Price | Bull | Bear |
|----|---------|------------|---------------|---------------------|--------------|
| S1 | 14,000 | R1 | 16,170 | Stochastic oversold | RSI below 50 |
| S2 | 13,469 | R2 | 16,725 | | |
| S3 | 12,713 | R3 | 17,477 | | |

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA
- RSI is below 50 (30)
- Stochastic is oversold
- Previously we noted that the technical was bearish with the upside move we were seeing considered as countertrend. The upside moves failed to hold resulting in the futures trading to a new low.
- Upside moves above USD 16,250 would suggest we have completed this phase of the bearish Elliott wave 3, implying we will have entered a bullish countertrend wave 4. Upside moves that fail at or below USD 17,477 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Intraday Elliott wave analysis using the William's approach would suggest that we have a potential downside target as low as USD 13,469 for this phase of the cycle. We are in divergence on the intraday and this will need to be monitored as the minimum requirement for phase completion has not been achieved.
- Technically bearish, the divergence needs to be monitored.

