



# Capesize Technical Report

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

## Index

We remain technically bearish, but price has moved higher to trade back between the 8-21 period averages. Upside moves that fail at or below USD 9,732 will leave price 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 both the RSI and price have broken a swing resistance point, warning buyside momentum is improving. We now need to see a close above USD 7,000, if we do then the USD 9,732 resistance becomes vulnerable.

## October 22

The future have moved higher on the back of the carry between the September and October contracts. We did see the futures move higher for a couple of days with price testing but failing at near-term resistance levels. The subsequent downside move held the USD 11,099 level, supporting a bull argument, resulting in another test to the upside. Our Elliott wave analysis would suggest that this current upside move is probably countertrend, a Fibonacci overlap around the USD 16,950 level makes it an area of interest for market sellers if tested.

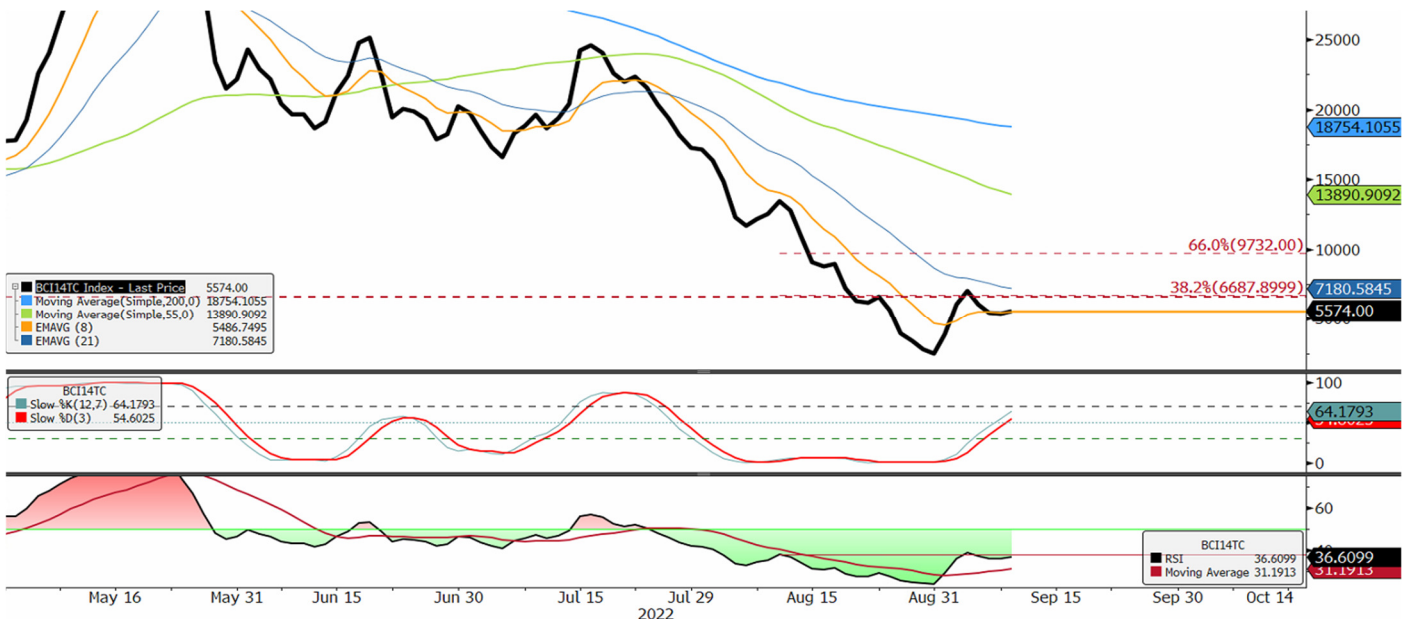
## Q4 22

The futures look to remain in a bearish wave 3 having traded to a low of USD 12,625, price is below all key moving averages supported by the RSI below 50. A positive divergence and an island reversal pattern would indicate buying support in the market, suggesting we could be about to enter a countertrend wave 4. Upside moves that fail at or below USD 22,772 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Technically bearish but not considered a technical sell at this point.

## Cal 23

The upside moves failed to trade above the USD 15,204 resistance last week, resulting in another move to the downside. The futures remain below all key moving averages supported by the RSI below 50. The technical remains bearish but the futures are finding support on the back of a positive divergence; downside moves to new lows will create further divergences, suggesting the technical is not considered a sell at these levels.

# Capesize Index

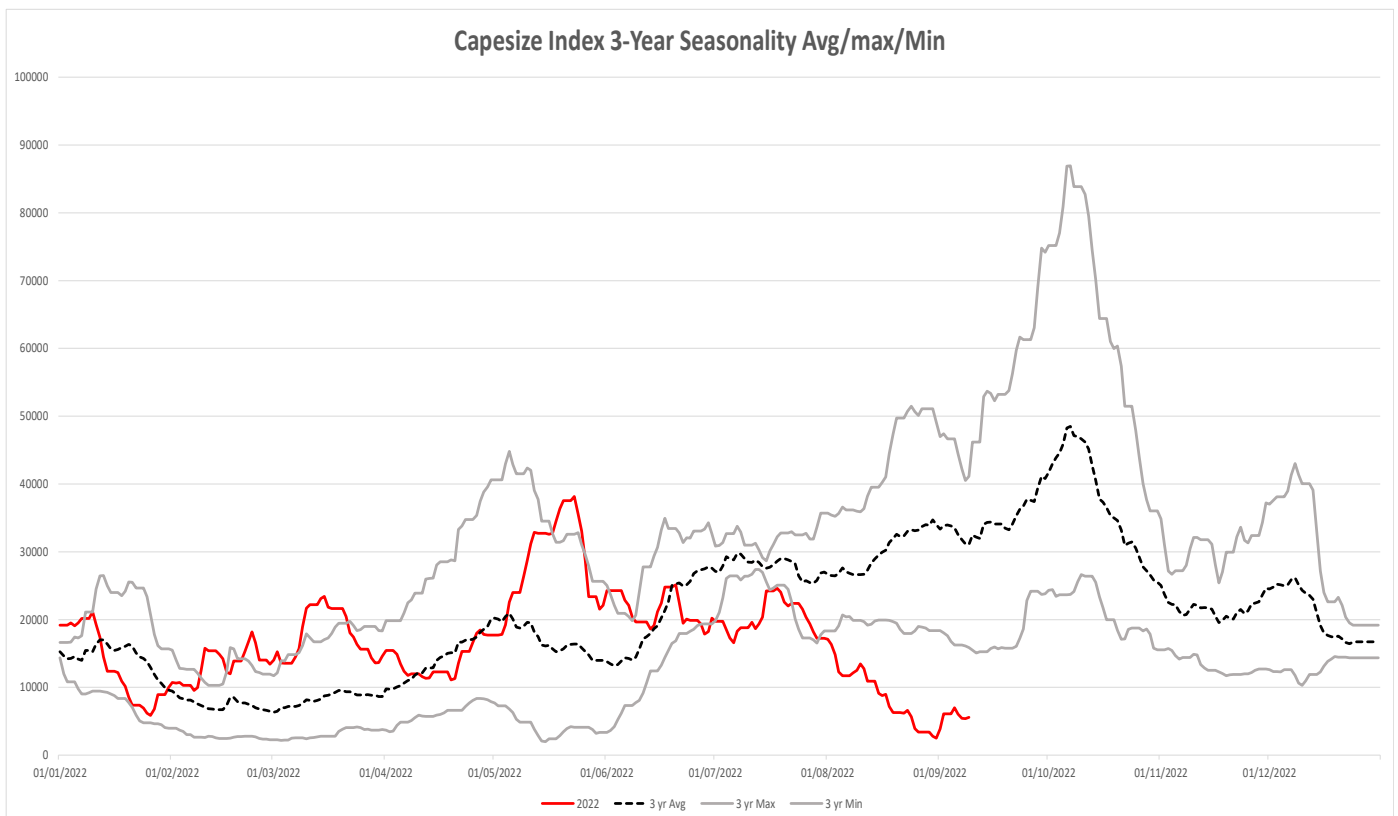


	Support	Resistance	Current Price	Bull	Bear
S1	2,445	R1	6,687		RSI below 50
S2	2,172	R2	7,980		
S3	1,992	R3	9,732		

## Synopsis - Intraday

Source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is below 50 (36)
- Stochastic is above 50
- The index traded between the 8-21 period EMA's to test the base of the Fibonacci resistance zone before producing a small pullback. Price is now on the 8 – period EMA with the RSI below 50
- Upside moves that fail at or below USD 9,732 will leave the index vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The technical is bearish but there are some green shoots, the upside move in the index did trade above the swing high (as illustrated on the chart) as did the RSI, suggesting price and momentum are starting to strengthen. If the index trades above the USD 7,000 level, then the USD 9,732 resistance becomes vulnerable.



# Capesize October 22 (1 Month forward)

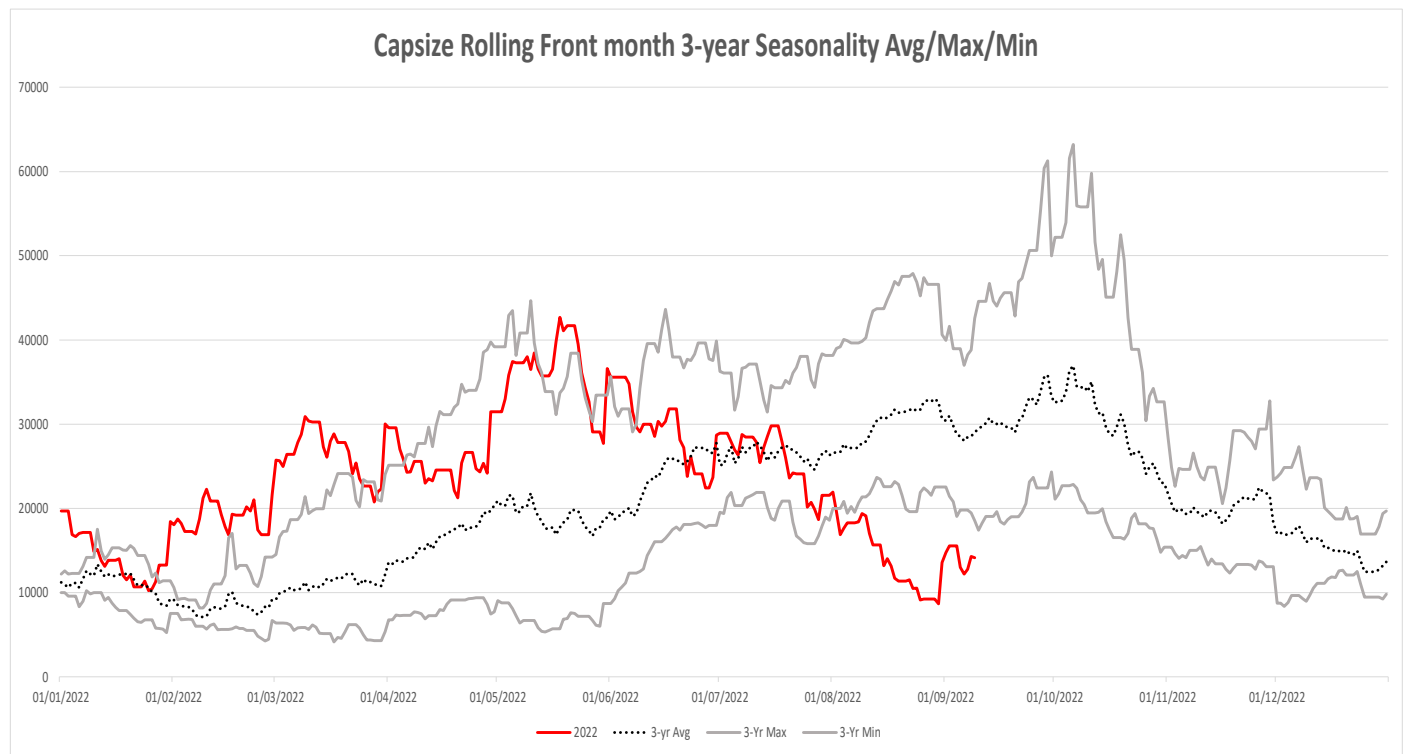


Support	Resistance	Current Price	Bull	Bear
S1	R1	14,125		RSI below 50
S2	R2			
S3	R3			

### Synopsis - Intraday

- Price is above the 8-21 period EMA
- RSI is below 50 (45)
- Stochastic is above 50
- Technically bearish last week the intraday divergence suggested that downside momentum was exhausting. The futures rolled into the October, rallied for two days but failed at the resistance band highlighted last week, before entering a corrective phase. Price has since moved higher and is back above the 8-21 period EMA's, supported by the RSI below 50.
- The downside move in the futures held above the USD 11,099 level, supporting a bull argument, resulting in the futures moving higher. Our Elliott wave analysis would imply this upside move looks to be countertrend, suggesting resistance levels should hold if tested.
- Upside moves that fail at or below USD 23,045 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. However, as highlighted in the morning technical reports, we have a Fibonacci overlap around the USD 16,950 level making it an area of interest for market sellers if it is achieved.

Source Bloomberg



# Capesize Q4 22 (Rolling front QTR)

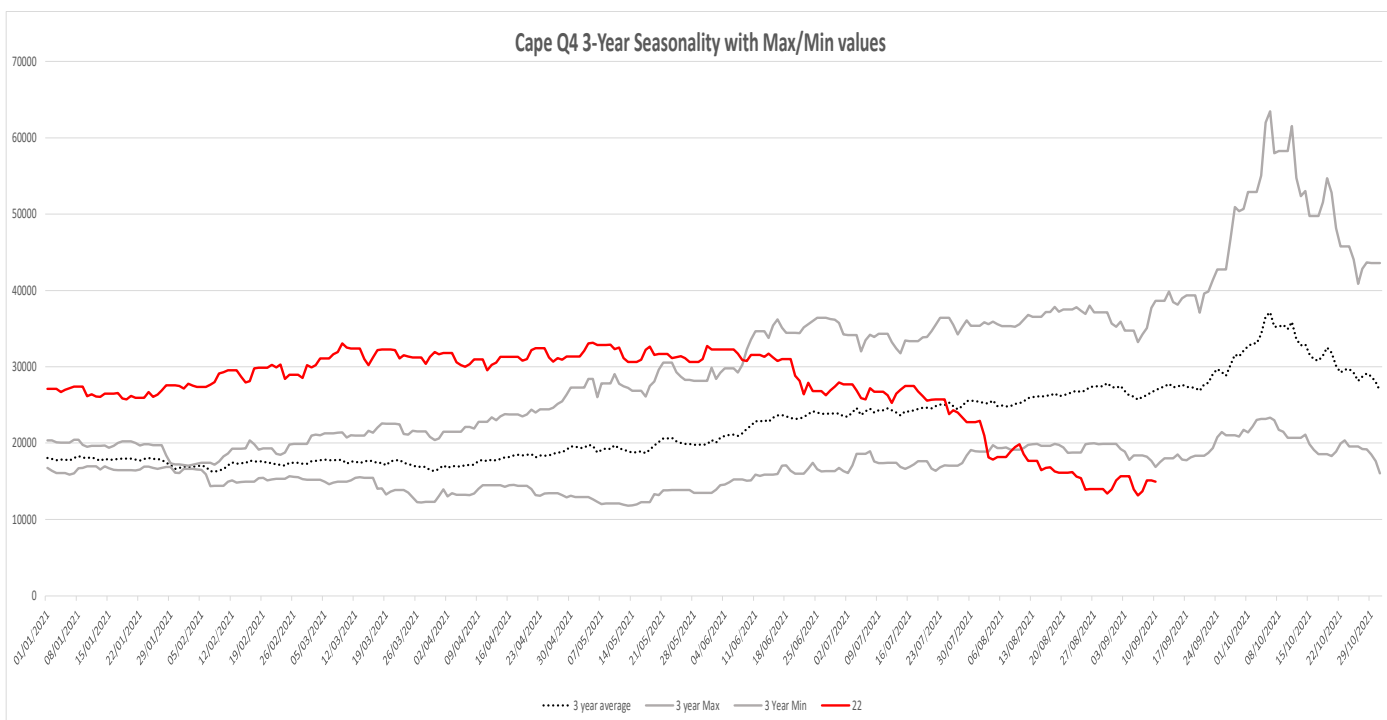


	Support	Resistance	Current Price	Bull	Bear
S1	13,312	R1	18,498		RSI below 50
S2	11,472	R2	20,312		
S3	9,025	R3	22,772		

## Synopsis - Intraday

Source Bloomberg

- Price is between the 8-21 period EMA
- RSI is below 50 (37)
- Stochastic is below 50
- The futures were in a bearish Elliott wave 3 last week with signs that it was potentially near completion. The futures did test to the upside for 3 days before trading to a new low of USD 12,625 before moving higher. Price is between the 8-21 period EMA's supported by the RSI below 50.
- With the wave 3 looking like it is exhausting and potentially readying for an upside countertrend wave 4 we have changed our Fibonacci resistance levels. Upside moves that fail at or below USD 22,772 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The technical is bearish; however, the 12,625 low has been created by a gap to the downside and a gap to the upside. This is known as an island reversal (western technical) or three river morning star pattern (eastern technical) and highlights buying support in the market, suggesting we could see a move to the upside from here.



# Capesize Cal 23



	Support	Resistance	Current Price	Bull	Bear
S1	12,713	R1	14,700	Stochastic oversold	RSI below 50
S2	11,750	R2	15,102		
S3	10,535	R3	16,250		

## Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA
- RSI is below 50 (25)
- Stochastic is oversold
- Technically bearish last week with the futures in consolidation. Price moved higher but failed below the USD 15,204 resistance, resulting in another move to the downside. Price is below all key moving averages supported by the RSI below 50.
- Upside moves that fail at or below USD 15,102 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Support levels remain unchanged, downside moves below the USD 12,875 fractal low have further support at USD 12,713 and USD 11,750.
- We remain technically bearish and in a trending environment. The recent low has created a positive divergence with the RSI, further moves to the downside below USD 12,875 will create a secondary divergence. Not a buy signal we are seeing warning signs that downside momentum is slowing.

