



# Capesize Technical Report

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

## Index

As previously noted, the break above the swing high had warned that momentum based on price was improving. The upside move above the USD 7,000 resistance did result in the USD 9,732 resistance being tested and broken. The index is now technically bullish with near-term resistance between USD 18,179 – USD 19,443; however, focus is now on the RSI at 61, as historically if it moves above 64 the index has the potential to go on a bullish run. If the 64 level holds then we could see a technical pullback.

## October

The futures are moving higher with the RSI now above 50; however, the intraday RSI is in divergence warning of the potential for a momentum slowdown, this will need to be monitored. Elliott wave analysis does suggest that this upside move should be considered countertrend with the futures vulnerable below USD 23,045 and neutral above. We do have a couple of concerns as this technical is potentially conflicting 1) if the RSI moves above 64 the index could run 2) when the rolling front qtr chart rolls into Q1 (in 10 days), if we make a new low, then the minimum requirement for wave/phase completion will have been met, suggesting caution on the rolling front month technical. At this point the Q1 is below the Q4 low, but momentum is still to the buy side, suggesting the futures Q1 could be above the USD 12,625 low when we roll. Something to think about and be aware of.

## Q4 22

The island reversal pattern on the last report warned that we could move higher, which has been the case. We look to be in a countertrend Elliott wave 4, however when we roll into Q1 it is likely to put us in a bearish wave 5, if price is below USD 12,625 then the minimum requirement for phase/cycle completion will have been met. This is not a buy signal, but it will need to be monitored, if we are above the 12,625 level then we still have the potential for further downside.

## Cal 23

Technically bearish last week but in divergence with the RSI, a new low would below USD 12,875 would create a secondary divergence, warning of the potential for a momentum slowdown. The futures traded to a low of USD 12,800 before moving higher. Upside moves that fail at or below 15,077 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. The secondary divergence is warning that resistance levels could be tested, with the futures not considered a technical sell on a new low.

# Capesize Index



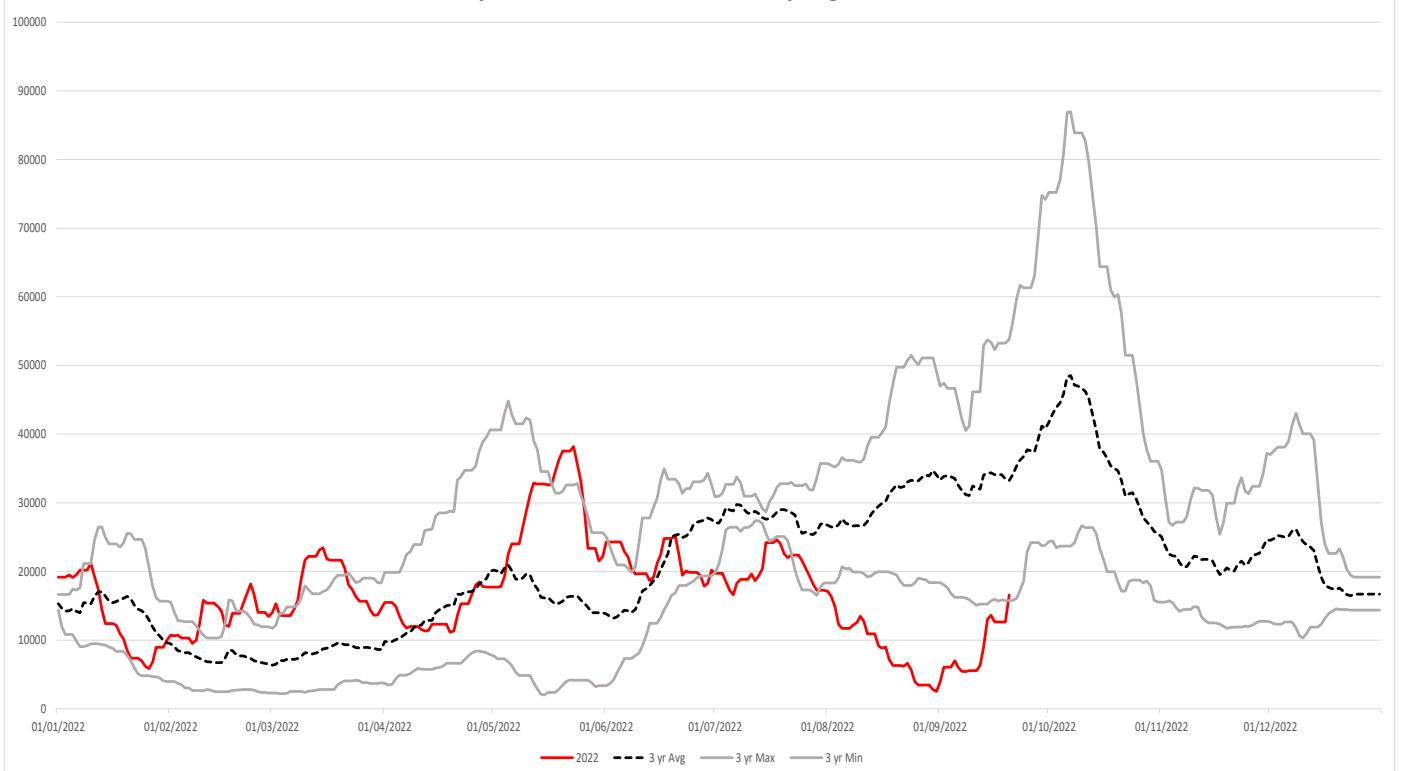
Support	Resistance	Current Price	Bull	Bear
S1	11,178	R1	19,443	Stochastic overbought
S2	9,522	R2	23,674	
S3	7,276	R3	26,664	
		16,540	RSI above 50	

## Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (61)
- Stochastic is overbought
- As noted on the last report the technical was bearish but there were some positive momentum signs as we had just traded above a swing high, the upside move above USD 7,000 did result in the USD 9,732 resistance being tested and broken.
- Price is above the 8-21 period EMA's supported by the RSI above 50. Downside moves that hold at or above USD 7,276 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish with near-term resistance between USD 18,179 – USD 19,443 (200-period MA – Fibonacci resistance). The RSI is at 61, as previously noted, historically, if the RSI moves above 64 then we have the potential to see the index go on a bullish run; however, if the RSI fails at this level, we could see a technical pullback.

## Capesize Index 3-Year Seasonality Avg/max/Min



# Capesize October 22 (1 Month forward)

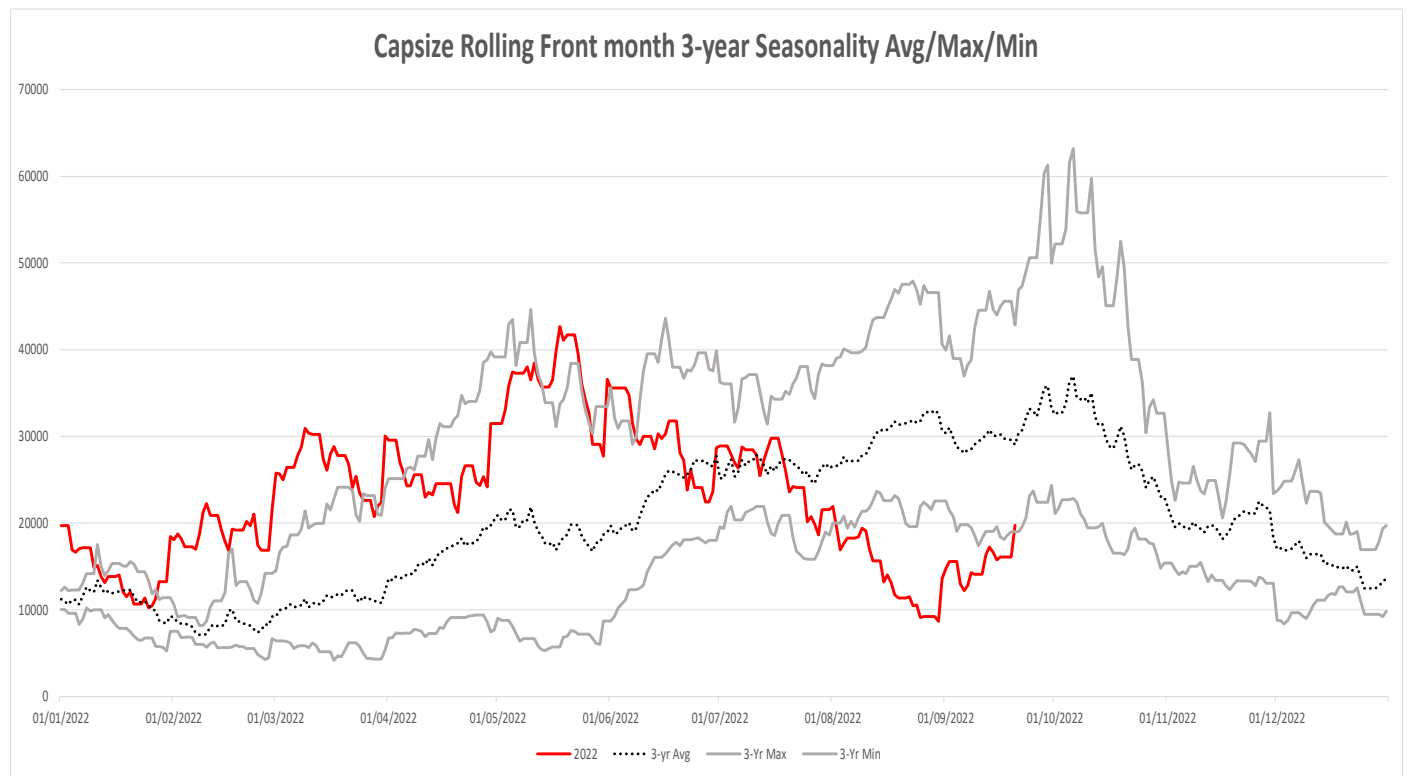


	Support	Resistance	Current Price	Bull	Bear
S1	15,527	R1	20,750	RSI above 50	Stochastic overbought
S2	14,200	R2	23,045		
S3	12,400	R3	25,808		

### Synopsis - Intraday

- Price is above the 8-21 period EMA
- RSI is above 50 (55)
- Stochastic is overbought
- The futures traded above and closed above USD 16,950 but failed to hold, resulting in a downside move to USD 14,750. We are seeing a strong upside moves today with price holding above the 21 – period EMA supported by the RSI above 50.
- Downside moves that hold at or above 12,400 will support a bull argument, below this level the technical will have a neutral bias.
- The upside move in the futures has created a new high with the RSI above 50; however, the intraday RSI is in divergence and will need to be monitored. Above USD 20,750 the futures will have broken fractal resistance meaning the daily technical is bullish based on price. Elliott wave analysis still suggests the upside move could be countertrend with the cycle remaining vulnerable below USD 23,045 and neutral above. We remain conscious of the index RSI, if this breaks 64 then resistance levels could come under pressure.

Source Bloomberg



# Capesize Q4 22 (Rolling front QTR)

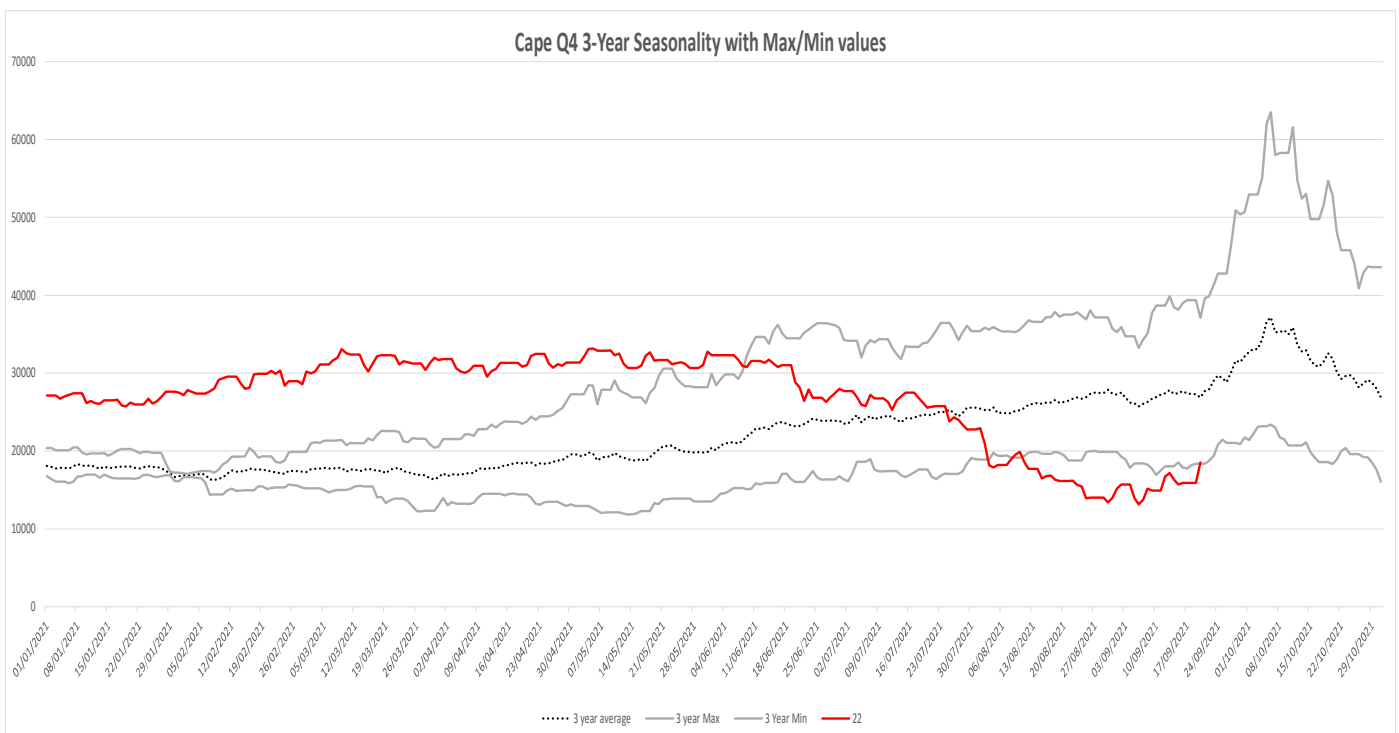


	Support	Resistance	Current Price	Bull	Bear
S1	15,000	R1	18,425	RSI above 50	
S2	13,312	R2			
S3	12,625	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is at 50 (50)
- Stochastic is above 50
- Technically bearish on the last report, the island reversal pattern warned that we could see buying support from here, resulting in a move to the upside. Price is above the 8-21 period EMA's supported by the RSI below 50.
- Downside moves that trade below the USD 15,000 level will warn that the USD 12,625 low could come under pressure. Likewise, 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.
- Momentum is to the buy side, in what looks to be a countertrend wave 4. However, this is a rolling front quarter chart, meaning we will be looking at Q1-23 in 10 days. If the Q1 is trading below the USD 12,625 low then it will mean that minimum requirement for wave/phase completion will have been achieved, suggesting caution on downside moves in the Oct/Nov/Dec, if however, the Q1 is above USD 12,625 then the technical will remain vulnerable to a test to the downside.



# Capesize Cal 23



	Support	Resistance	Current Price	Bull	Bear
S1	12,713	R1	13,575	Stochastic oversold	RSI below 50
S2	11,750	R2			
S3	10,535	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is between the 8-21 period EMA
- RSI is below 50 (40)
- Stochastic is oversold
- Technically bearish last week, the futures having created a positive divergence with the RSI, downside moves below USD 12,875 would create a secondary divergence, warning of the potential for a momentum slowdown. We traded to a low of USD 12,800 before moving higher. The futures are between the 8-21 period EMA's whilst the RSI is below 50.
- Upside moves that fail at or below USD 15,077 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The futures are moving higher on the back of a secondary divergence warning resistance levels could be tested, implying downside moves are not considered a sell on new lows.

