



# Capesize Technical Report

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## Index

An interesting index today, having held support price is now above all key moving averages whilst the RSI is above 64 (66). Historically when the RSI moves above 64 it would suggest the index is about to go on a bull run, implying resistance levels could come under pressure. However, the behaviour of the futures today would suggest caution, as post index we have seen the paper move lower.

## November

The futures were at a key inflection point on the morning report with price testing the USD 18,875 resistance. The daily technical is bullish with a neutral bias whilst the intraday is bearish, the upside move this morning failed to hold resulting in the futures producing a bearish rejection candle, warning support levels could come under pressure. Downside moves below USD 14,750 will have bearish implications going forward. Likewise, upside moves above USD 18,875 will leave the USD 21,000 high vulnerable. Bullish neutral, price action does look vulnerable; however, this conflicts with the RSI breakout on the index suggesting a little bit of caution at this point.

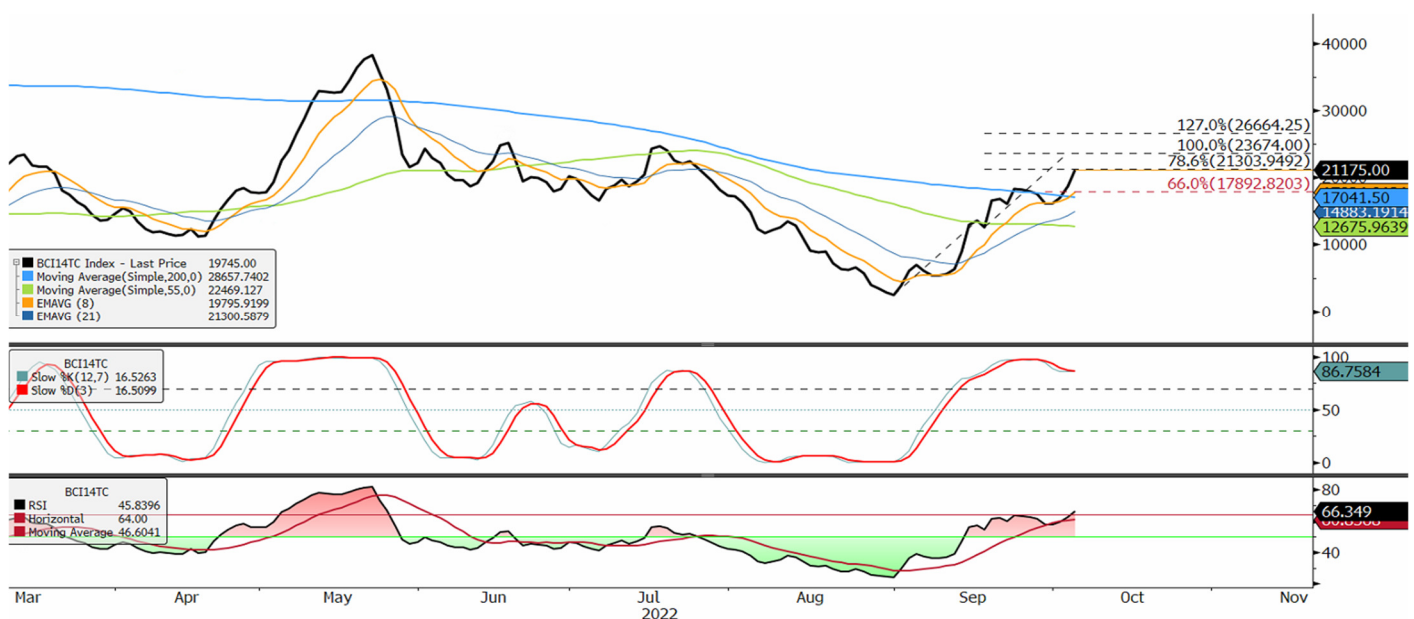
## Q4 22

Having traded to a low of USD 14,750 the futures traded to a high of USD 19,000, taking the technical back into bullish territory. However, like the Nov contract we have seen selling pressure post index, resulting in price rejecting the mid-point of the small rising channel, this has also given us a minor negative divergence and a bearish rejection candle. A neutral RSI (49) with a stochastic moving above 30 is warning that momentum is vulnerable to a move to the upside, if the RSI goes above 50; if it doesn't then the stochastic is considered as less relevant. Technically bullish, the rejection candle warns support levels are vulnerable. Hopefully the index will give us more direction tomorrow, as that is telling a different story.

## Cal 23

Another week of consolidation for the Cal 23 futures. The technical is bearish but the price action is neutral between USD 14,050 and USD 12,800. If we break to the downside then caution is needed as it will create another positive divergence. Neutral.

# Capesize Index

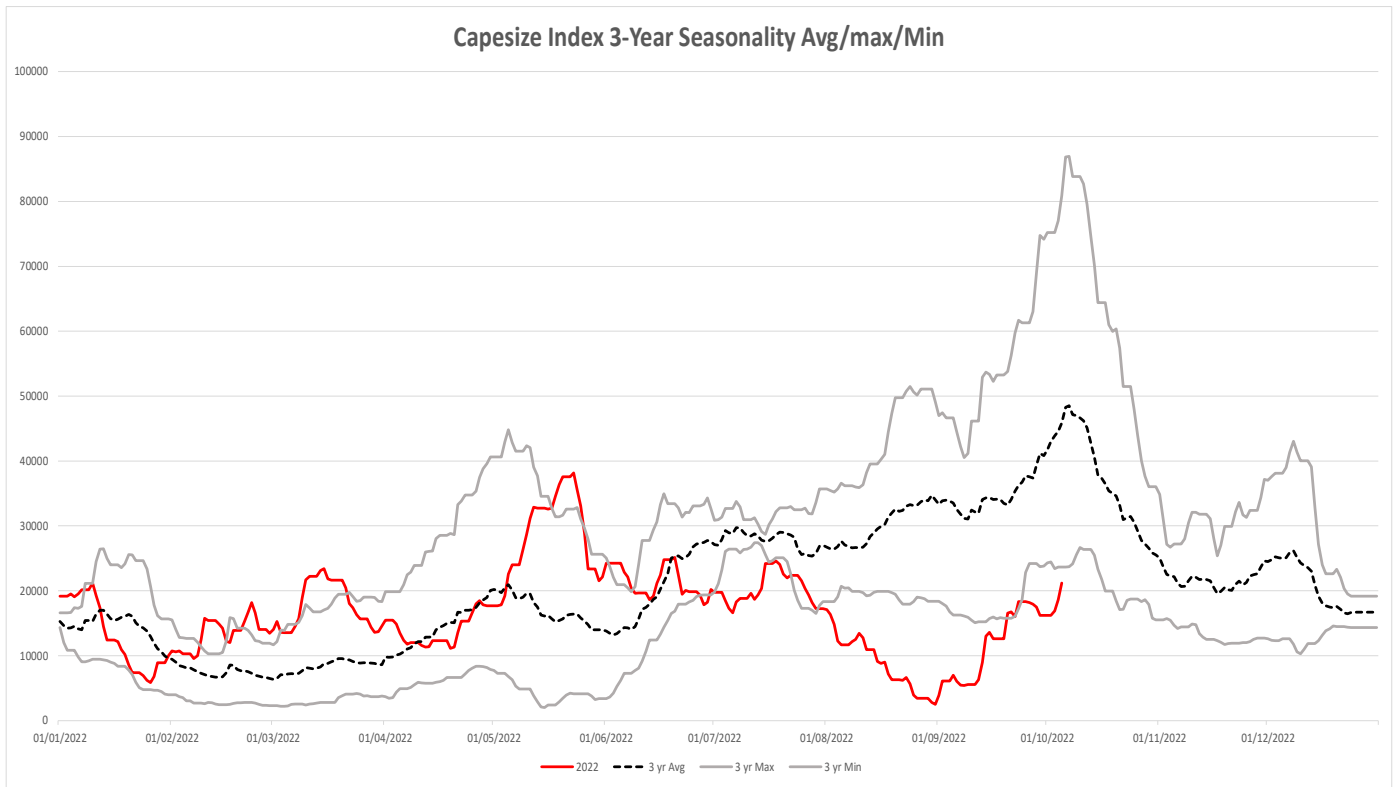


| Support | Resistance | Current Price | Bull         | Bear                  |
|---------|------------|---------------|--------------|-----------------------|
| S1      | R1         | 21,175        | RSI above 50 | Stochastic overbought |
| S2      | R2         |               |              |                       |
| S3      | R3         |               |              |                       |

## Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (66)
- Stochastic is overbought
- The index held resistance last week resulting in a small technical pullback to USD 16,202, the interim support at USD 14,800 was not tested. Price has since moved lower but is above all key moving averages supported by the RSI above 50.
- Due to the index making a new high the Fibonacci support levels have been revised upwards. Downside moves that hold at or above USD 17,892 will support a bull argument, below this level the technical will have a neutral bias. Only below USD 16,202 is the technical bearish.
- Technically bullish the RSI is now above the 64 level; historically, RSI breakouts above 64 result in a bullish impulse move in the index, this is not guaranteed but is something to be aware of, as it warns that the USD 23,674 and USD 26,664 resistance levels could come under pressure.



# Capesize November 22 (1 Month forward)

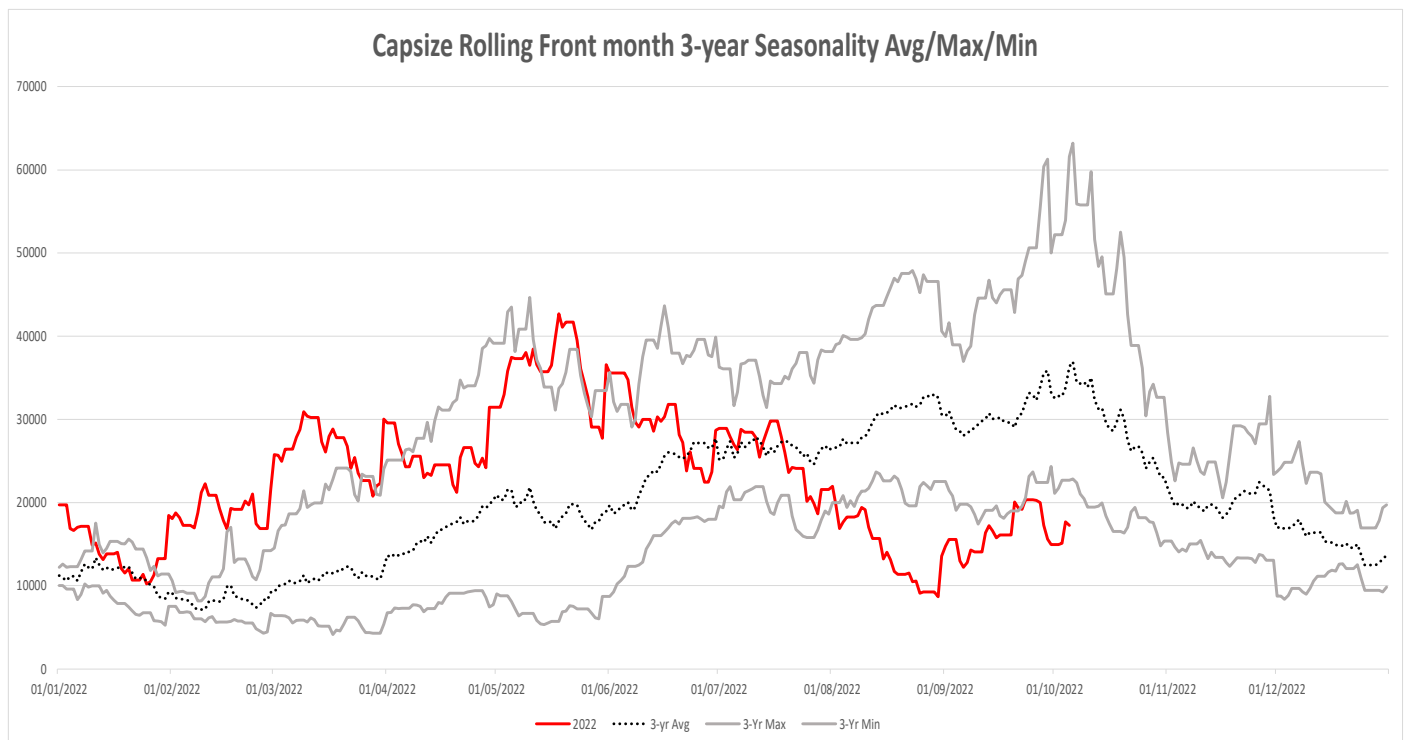


|    | Support | Resistance | Current Price | Bull                | Bear         |
|----|---------|------------|---------------|---------------------|--------------|
| S1 | 14,750  | R1         | 18,875        | Stochastic oversold | RSI below 50 |
| S2 | 12,799  | R2         | 21,000        |                     |              |
| S3 | 11,233  | R3         | 23,045        |                     |              |

## Synopsis - Intraday

- Price is above the 8-21 period EMA
- RSI is at 50 (50)
- Stochastic is oversold
- Technically we were cautious last week due to the divergence with the RSI, resulting in a move to the downside in both the October and November contracts. The downside move held the USD 14,750 fractal support, meaning the technical remained bullish but with a neutral bias.
- We noted on the morning report that the futures were testing the USD 18,875 resistance, meaning price was at a key inflection point. Resistance held, resulting in the futures moving USD 1,875 lower this afternoon, at this point the futures are producing a bearish rejection candle; however, the market remains open at this point and this could change. Downside moves below USD 14,750 will warn that the USD 12,799 and USD 11,233 support levels could be vulnerable.
- Technically bullish with a neutral bias, the futures have rejected a key resistance warning of lower pricing going forward. However, we do have an element of caution whist the cape RSI (21 period) is above the 64 level, as this is conflicting with the price action in the futures.

Source Bloomberg



# Capesize Q4 22 (Rolling front QTR)

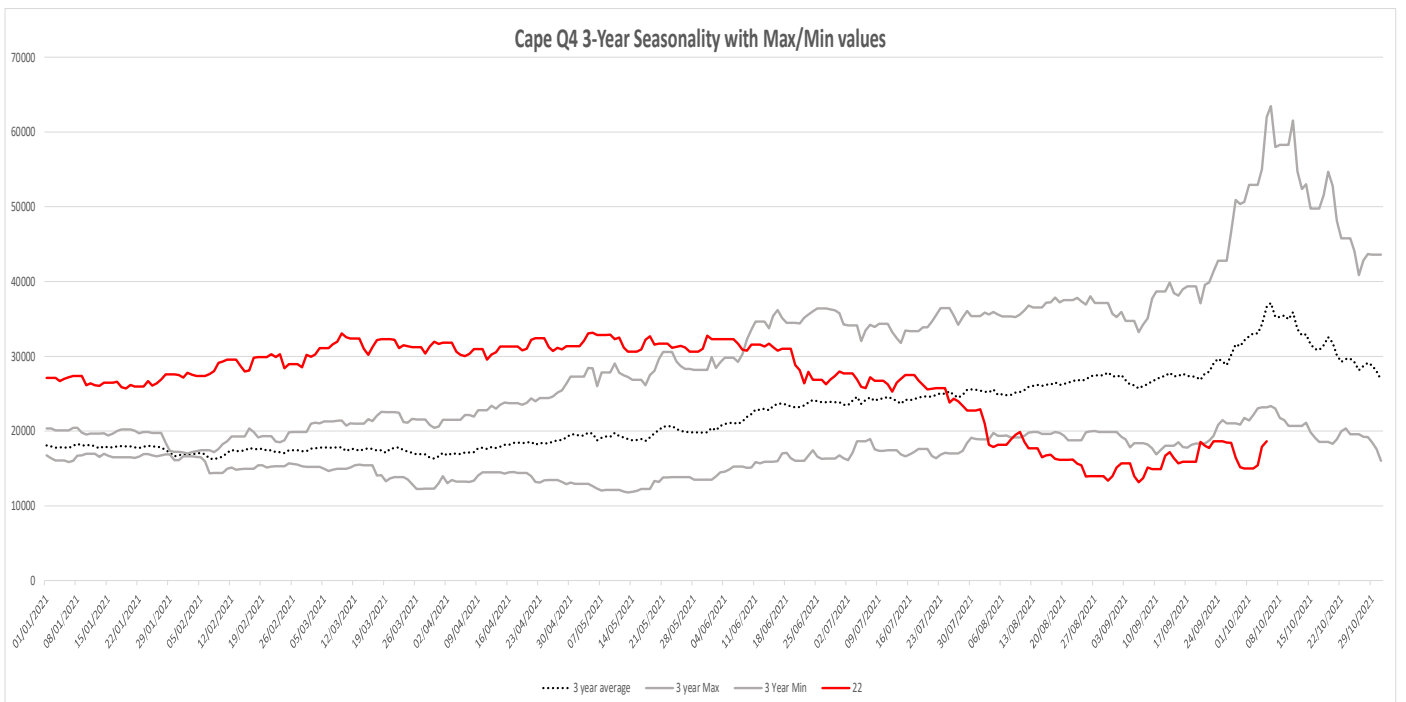


|    | Support | Resistance | Current Price | Bull         | Bear |
|----|---------|------------|---------------|--------------|------|
| S1 | 16,424  | R1         | 17,900        | RSI below 50 |      |
| S2 | 14,833  | R2         | 19,150        |              |      |
| S3 | 13,707  | R3         | 20,250        |              |      |

## Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is at 50 (50)
- Stochastic is below 50
- Technically bullish last week with the futures consolidating, a downside move below USD 16,375 warned that the USD 15,000 and potentially the USD 12,625 support levels were vulnerable. The futures trade to a low of USD 14,750 before finding buying support, the upside move on the open did trade to a new high (before selling lower), meaning the technical is bullish based on price. The futures are above the 8-21 period EMA's with the RSI neutral at 49.
- Downside moves below USD 16,424 will target the USD 14,750 and USD 13,707 levels in the near-term, with the potential to trade below the USD 12,625 low.
- The current (open) daily candle is a bearish rejection candle, warning support could come under pressure. A neutral RSI with a stochastic moving above 30 does leave momentum vulnerable to an upside move; however, if the RSI stays below 50 then the stochastic is less relevant. Upside price action is bearish due to the rejection on the Mid-point on the channel, the paper and the index are conflicting, if the index RSI fails to hold the futures will look vulnerable.



# Capesize Cal 23



| Support | Resistance | Current Price | Bull | Bear         |
|---------|------------|---------------|------|--------------|
| S1      | R1         | 13,775        |      | RSI below 50 |
| S2      | R2         |               |      |              |
| S3      | R3         |               |      |              |

## Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is below 50 (44)
- Stochastic is overbought
- The futures continue to consolidate between USD 14,050 and USD 12,800 with little movement in price. Price is above the 8-21 period EMA's with the RSI remaining below 50.
- The RSI is below 50 with the stochastic in overbought territory, momentum is warning that the futures are vulnerable to a test to the downside.
- Technically bearish with a neutral bias due to the futures consolidating. Downside moves below USD 12,800 have the potential to create further positive divergence with the RSI. Not a buy signal it does warn that he have the potential to see a momentum slowdown on a downside breakout ,and will need to be monitored.

