



# Capesize Technical Report

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## Index

We noted last week that resistance levels should hold if tested, which has been the case. Price is moving lower and is now back below the EMA's supported by the RSI below 50. Key resistance remains unchanged at USD 17,429, the index is bearish below and neutral above. A close above USD 12,340 will mean momentum based on price is starting to strengthen. Technically bearish, caution on downside moves below USD 10,158 as it has the potential to trigger a positive divergence with the RSI.

## Dec 22

Last week we highlighted that buy-side support looked weak, leaving the USD 10,150 fractal low vulnerable, the futures have now moved lower with the head and shoulders pattern suggesting we have a potential downside target at USD 8,500. However, the intraday RSI is in divergence, not a buy signal it is warning we have the potential to see a momentum slowdown and will need to be monitored. Upside moves that fail at or below USD 11,037 will leave the futures vulnerable to further tests to the downside, only above USD 11,675 is the technical bullish. Bearish, but the intraday divergence is suggesting caution.

## Q1 23

The futures broke upside resistance last week meaning the technical although bearish now has a neutral bias. However, a bearish rejection candle on the 14/10 with price below the 55 period MA is warning of technical sellers in the market. The RSI below 50 and the stochastic overbought is suggesting support levels are now vulnerable. Downside moves that hold at or above USD 6,262 will support a near-term bull argument, below this level we target the USD 5,625 low. The rejection candle and momentum are warning that support levels are vulnerable.

## Cal 23

Like the Q1 23, the Cal has rejected the 55-period MA with price closing lower yesterday. The technical is bearish with a neutral bias due to the depth of the previous upside move, but 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. Due to the RSI making a new low previously, the momentum and the rejection candle, we maintain our view that support levels remain vulnerable.

# Capesize Index

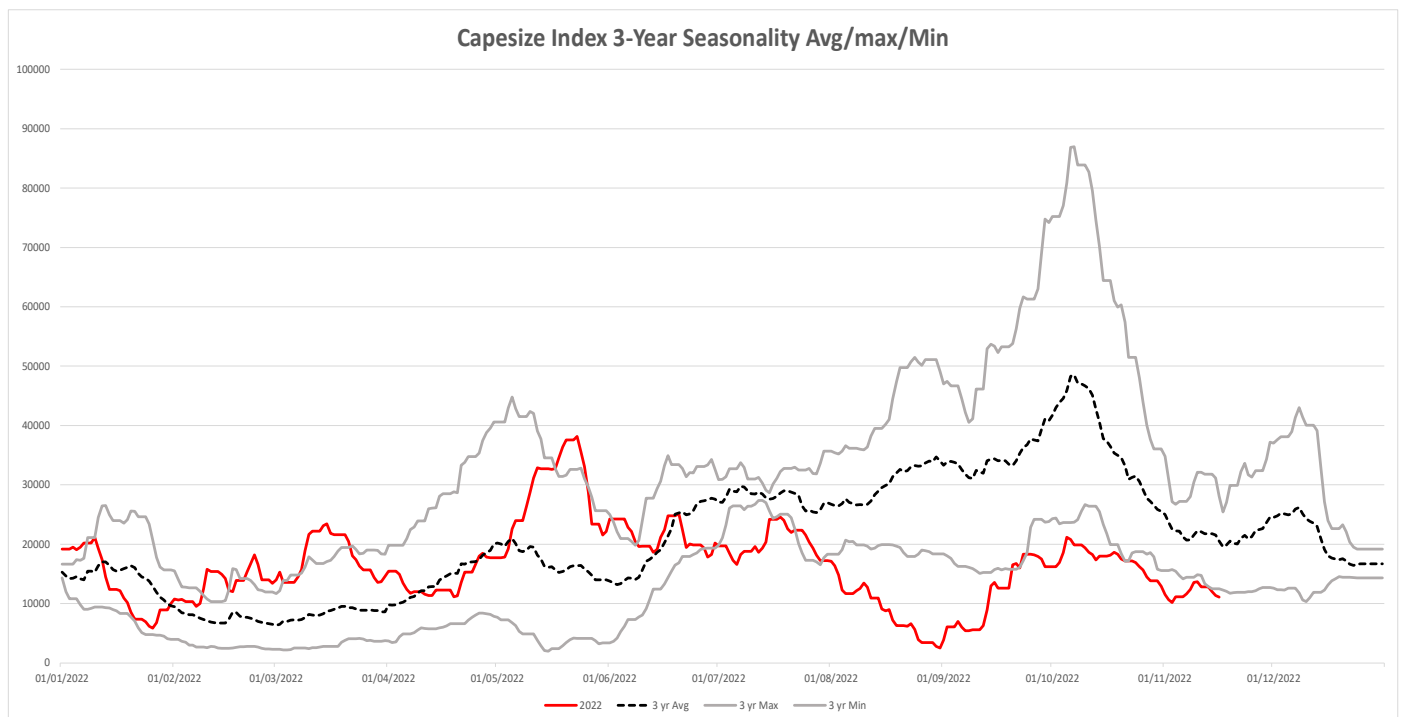


	Support	Resistance	Current Price	Bull	Bear
S1	10,158	R1	14,366		
S2	8,852	R2	15,666		RSI below 50
S3	6,500	R3	17,429		

## Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (40)
- Stochastic is below 50
- Technically bearish last week with momentum to the buyside, the RSI was testing a bearish sloping moving averages suggesting resistance levels should hold in the near-term. The index held the USD 14,366 Fibonacci resistance with price now moving lower. We are below all key moving averages supported by the RSI below 50.
- Momentum based on price is now aligned to the sell side, a close above USD 12,340 will mean it is aligned to the buyside. key resistance remains unchanged, upside moves that fail at or below USD 17,429 will leave the index vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish with momentum to the sell side, the index is now approaching the USD 10,158 fractal support. If we trade to a new low there is the possibility that it could create a positive divergence with the RSI, if we do, it will be marginal but will need to be monitored as it will warn that we could see a momentum slowdown, suggesting caution on downside moves at this point.



# Capesize December 22 (1 Month forward)

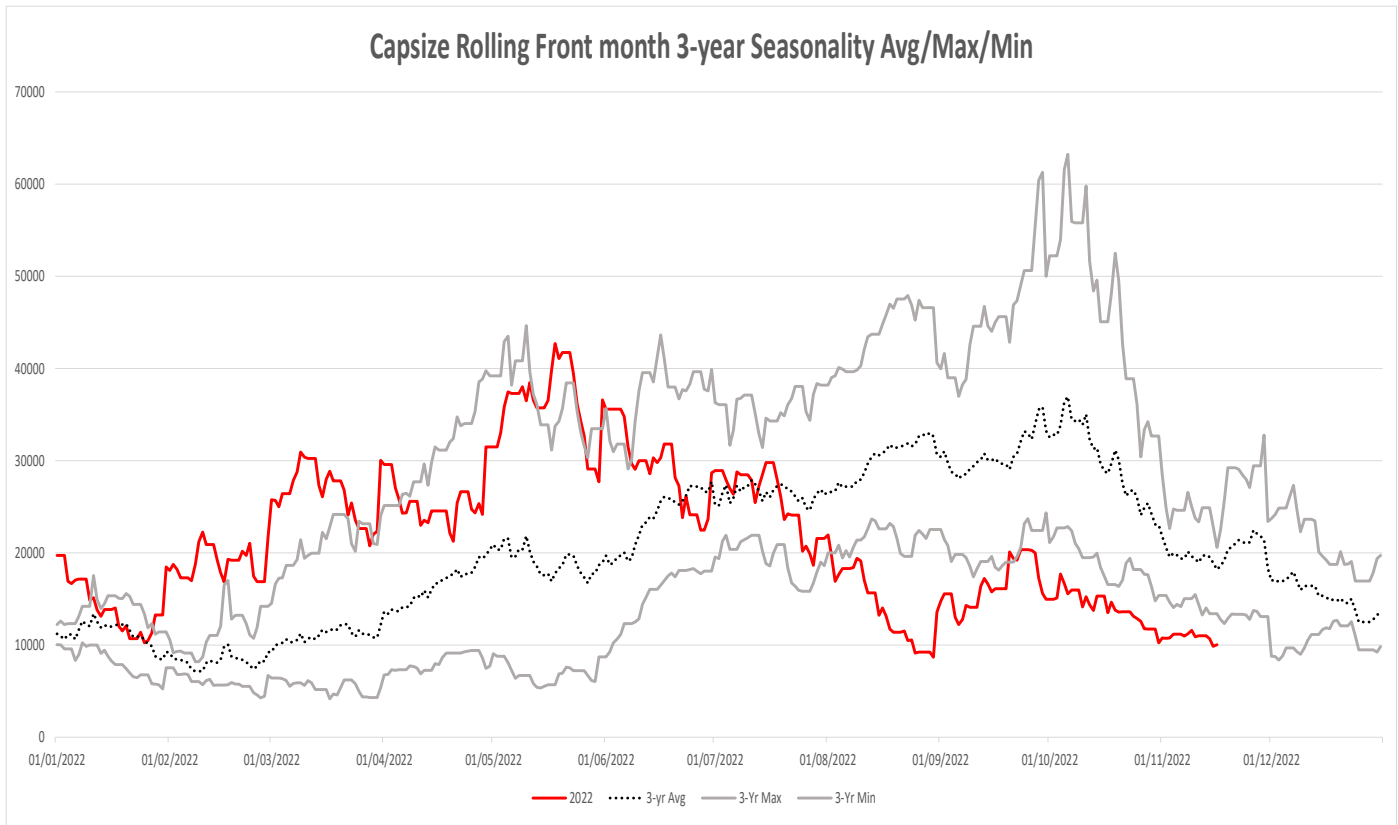


	Support	Resistance	Current Price	Bull	Bear
S1	9,800	R1	10,516	Stochastic oversold	RSI below 50
S2	8,500	R2	10,737		
S3	6,812	R3	11,037		

### Synopsis - Intraday

- Price is below the 8-21 period EMA
- RSI is below 50 (38)
- Stochastic is oversold
- Technically bearish on the last report we maintained a view that the upside move was lacking in buy-side strength, suggesting support levels remained vulnerable. The futures have since moved lower with price trading below the USD 10,150 fractal support. We remain below all key moving averages supported by the RSI below 50.
- Upside moves that fail at or below USD 11,037 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 11,675 is the technical bullish.
- Technically bearish, we continue to have a potential downside target at USD 8,500 based on the head and shoulders pattern. However, the intraday technical is in divergence with the RSI, not a buy signal it is a warning that we have the potential to see a momentum slowdown, suggesting caution going forward.

Source Bloomberg



# Capesize Q1 23 (Rolling front QTR)

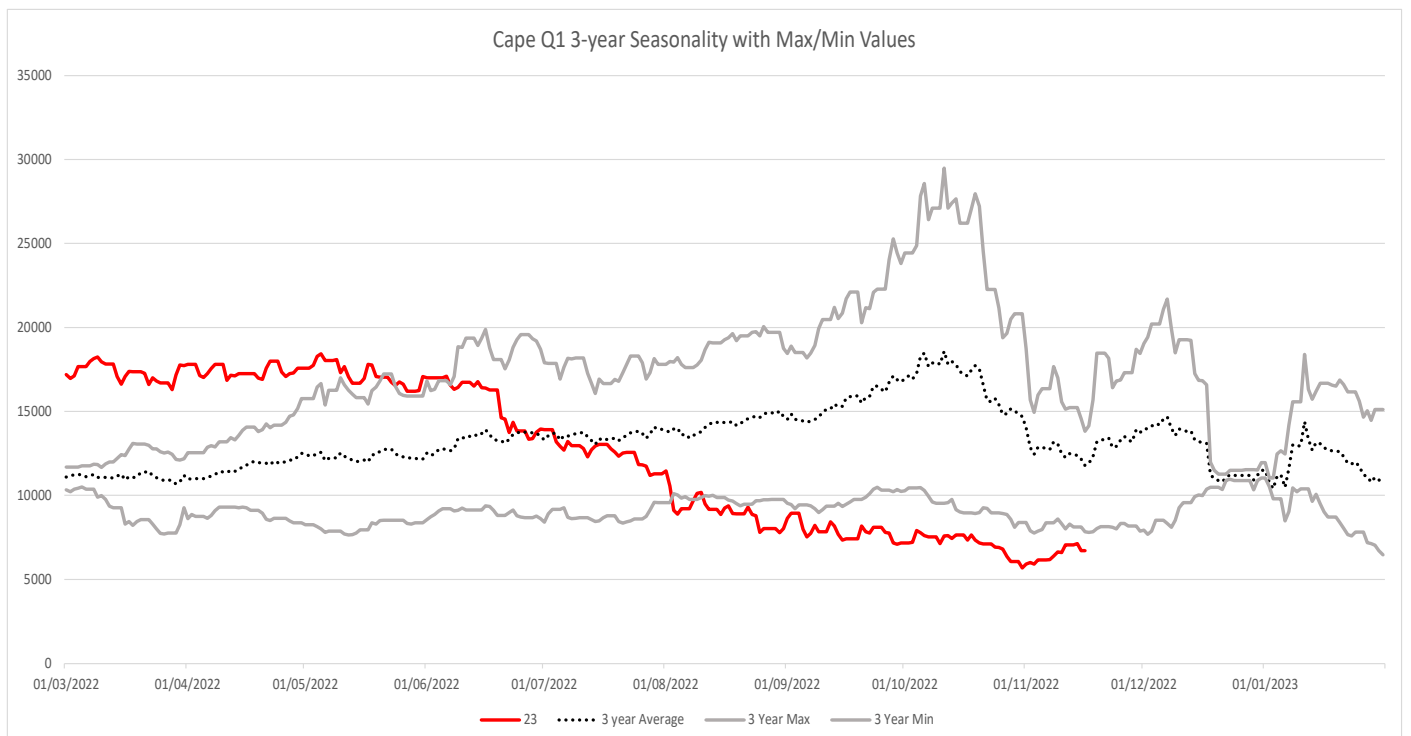


	Support	Resistance	Current Price	Bull	Bear
S1	6,262	R1	7,500		
S2	5,657	R2	7,750		RSI below 50
S3	5,075	R3	8,125		

## Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is below 50 (46)
- Stochastic is overbought
- Technically bearish last week with the futures moving higher, price traded above the USD 6,994 resistance, meaning we now have a neutral bias. Price is above the 8-21 period EMA's but below the 55-period average, the RSI is below 50.
- Downside moves that hold at or above USD 6,262 will support a near-term bull argument, below this level we target the USD 5,625 low.
- A rejection candle on the 14th followed by a lower close yesterday is warning that support levels could come under pressure, making USD 6,262 a key level to follow. The RSI is below 50 with the stochastic overbought, momentum is suggesting we are vulnerable to further tests to the downside. Countering this is the RSI above its MA, which is sloping higher, warning support levels could hold if tested. If we trade below USD 6,262, we target the USD 5,625 low; however, a new low will create further positive divergence with the RSI implying caution.



# Capesize Cal 23



Support		Resistance		Current Price	Bull	Bear
S1	11,877	R1	13,125	12,350	RSI below 50	Stochastic overbought
S2	11,250	R2	13,575			
S3	10,535	R3	13,900			

## Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is below 50 (44)
- Stochastic is overbought
- Bearish last week but with the futures moving higher on the back of a positive divergence, making USD 12,784 the key resistance to follow, the intraday RSI suggested that support levels remain vulnerable. The futures continued to move higher with price trading above key resistance meaning the technical now has a neutral bias. Price is on the 8-21 period EMA's with the RSI below 50.
- Downside moves that hold at or above USD 11,887 will support a near-term bull argument, below this level we target the USD 11,250 low. Likewise, upside moves above USD 13,575 will take the technical into bullish territory.
- The futures have rejected the 55-period moving average with price trading back down to the faster moving EMA's. The RSI is below 50 with the stochastic in overbought territory, momentum is warning the futures are vulnerable to a test to the downside. This is supported by the intraday RSI that has previously moved to new lows, meaning we maintain our view that support levels remain vulnerable at this point.

