



Capesize Technical Report

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Index

Index

Bearish last week the index did trade below the USD 10,158 fractal support to a low of USD 9,057. We remain technically bearish with price below all key moving averages; however, today's upside move means that momentum based on price is starting to strengthen. Upside moves that fail at or below USD 12,122 will leave the index vulnerable to further tests to the downside, above this level the technical will have a neutral bias. The index is now in divergence, meaning it is not considered a technical sell at these levels, as resistance levels are now vulnerable.

Dec 22

Technically bearish last week with a note of caution due to the intraday divergence. The futures moved lower and have now achieved our downside target based on the 100% projection on the head and shoulders pattern at USD 8,500 (Low USD 8,525). Price is moving higher on the back of a positive divergence; however lower timeframe intraday Elliott wave analysis (Sub 1-hour) is warning there could be one final test to the downside. Upside moves that fail at or below USD 10,604 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. This will be a key level going forward, if broken the probability of the futures trading to a new low will decrease. The futures are not considered a technical sell on downside breakouts due new low creating further divergences.

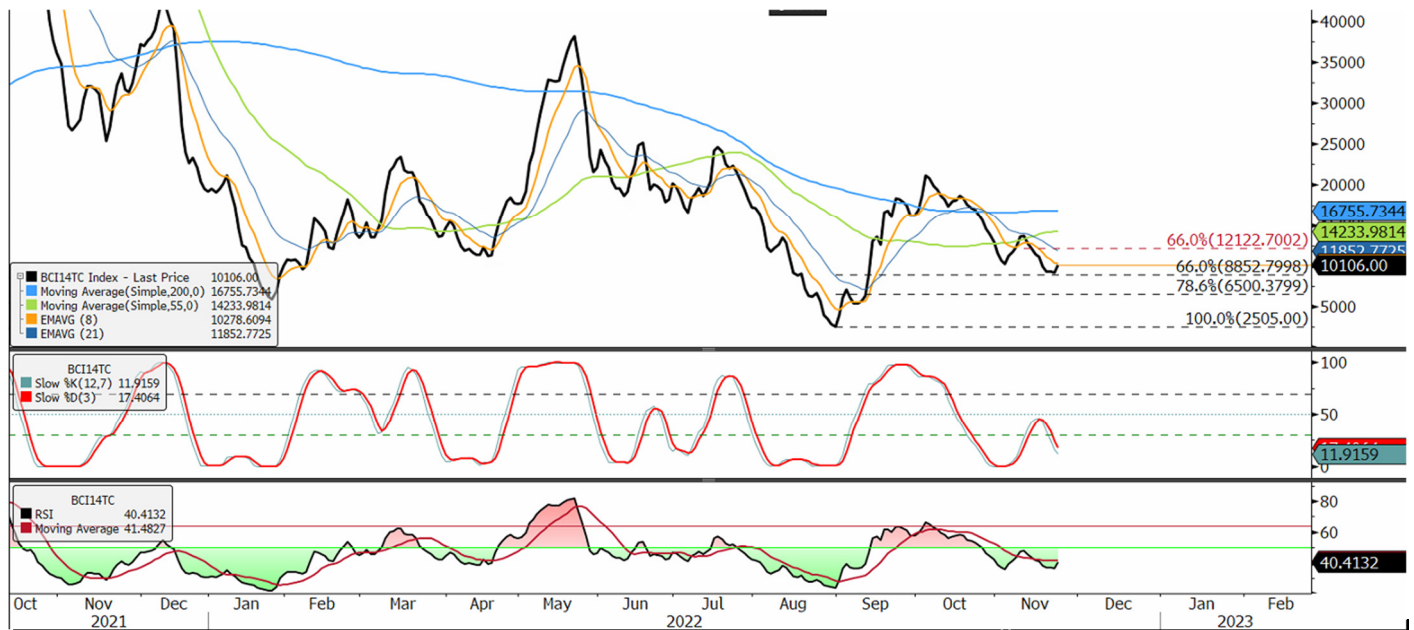
Q1 23

The rejection candle followed by a lower close last week warned that support levels could come under pressure, resulting in the futures trading below the USD 6,262 support. We now target the USD 5,625 low. A close above USD 6,375 will warn that the USD 6,990 and USD 7,500 resistance levels are vulnerable; however, the technical is only bullish on a close above USD 7,625. We are now a cautious bear with the futures not considered a technical sell, as a new low will create a second divergence, implying there could be limited downside from here.

Cal 23

Momentum last week warned that the futures were vulnerable to a move to the downside, resulting in price trading USD 500 lower. Upside moves that trade above USD 13,125 will warn that the USD 13,575 fractal resistance is vulnerable, above this level the technical is bullish. The downside move below USD 11,887 support meaning the technical condition is starting to weaken; however downside moves below USD 11,250 have the potential to create another positive divergence, warning we could see a momentum slowdown. bearish, like the Q1 we have a note of caution at this point, as downside moves could be limited.

Capesize Index

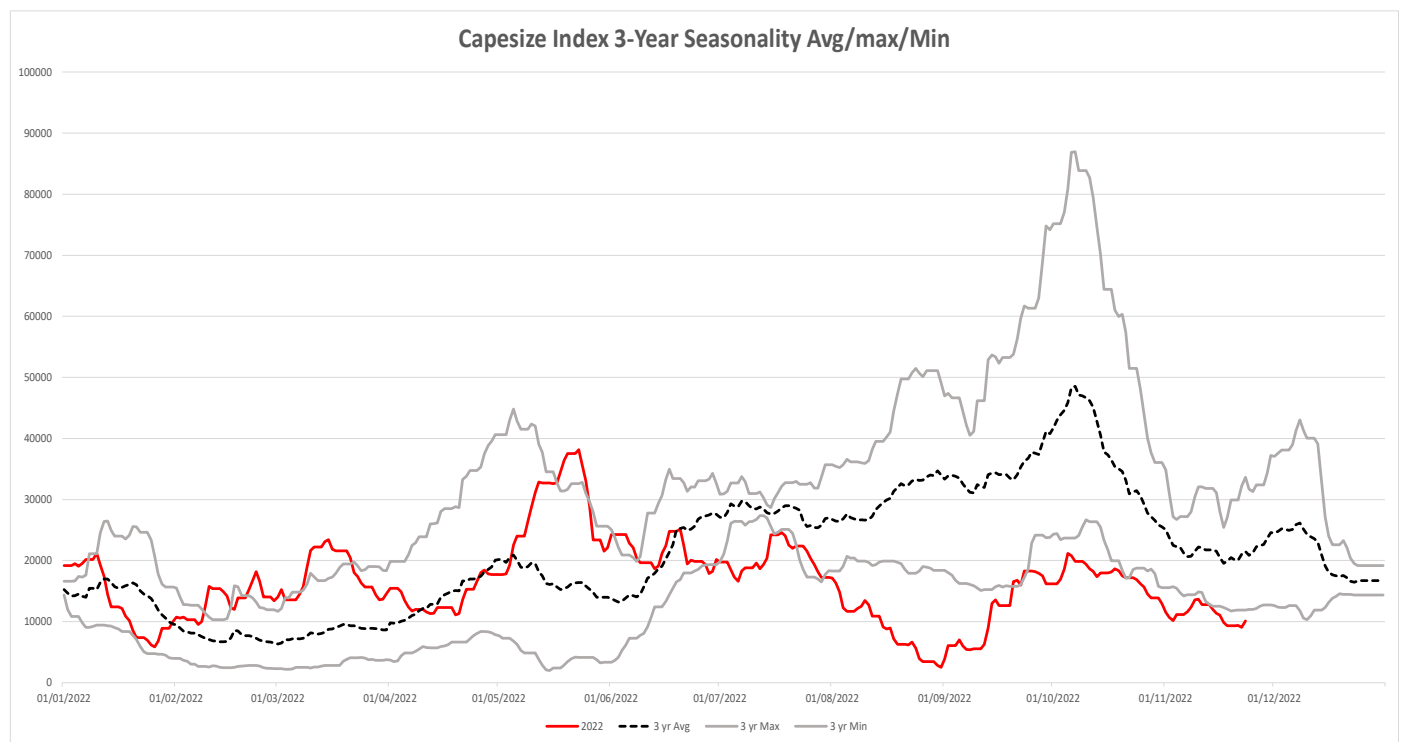


| | Support | Resistance | Current Price | Bull | Bear |
|----|---------|------------|---------------|---------------------|--------------|
| S1 | 8,852 | R1 | 12,122 | Stochastic oversold | RSI below 50 |
| S2 | 6,500 | R2 | 13,702 | | |
| S3 | 2,505 | R3 | 16,202 | | |

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (40)
- Stochastic is oversold
- Technically bearish with momentum to the sell side, we did trade below the USD 10,158 fractal low. Price is below all key moving averages with the RSI below 50.
- The upside move in the index today means that momentum based on price is now to the buyside; a close below USD 9,532 will mean it is aligned to the sell side. Upside moves that fail at or below USD 12,122 will leave the index vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only above USD 13,702 is the technical bullish.
- Technically bearish with momentum to the buyside, the index has held the USD 8,852 support, warning that upside resistance levels could be vulnerable. Due to the index being in divergence whilst holding support ,it is not considered a technical sell at this point.



Capesize December 22 (1 Month forward)

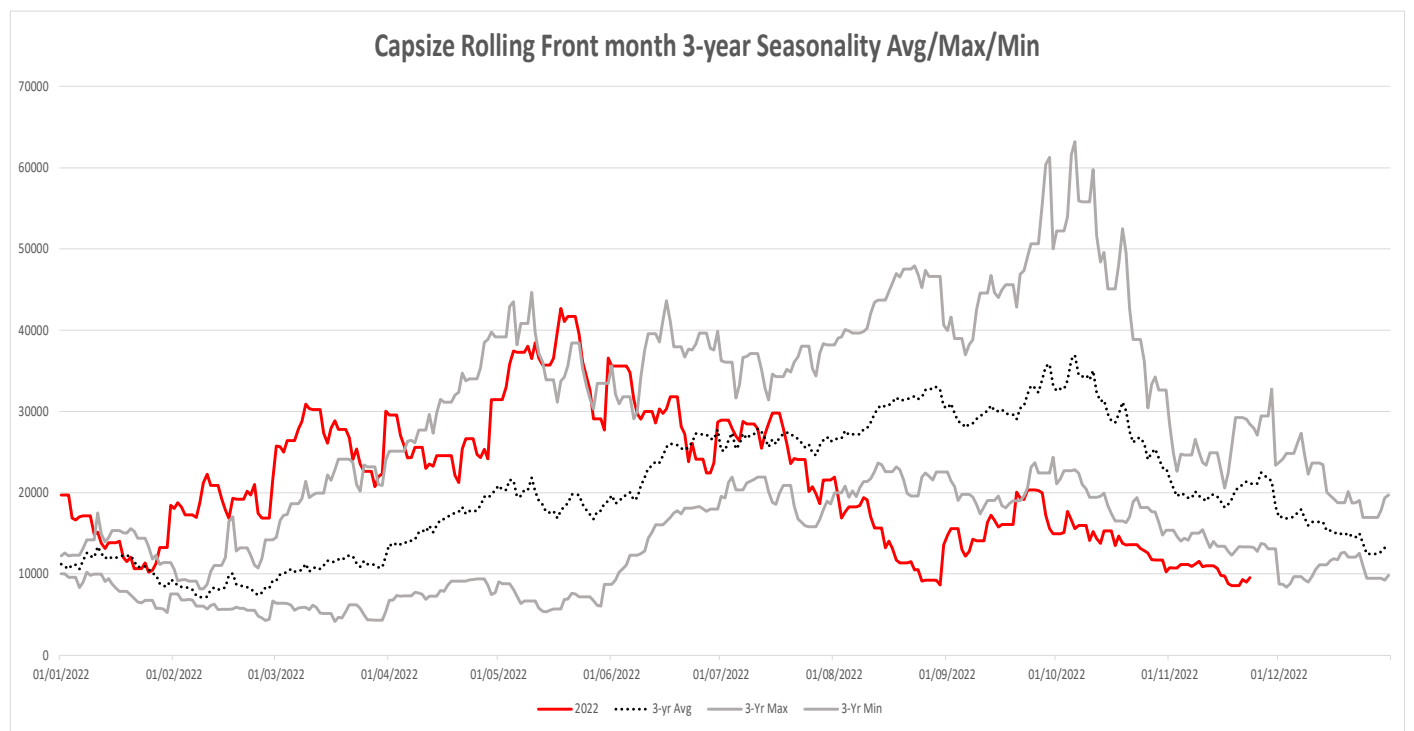


| Support | | Resistance | | Current Price | Bull | Bear |
|---------|-------|------------|--------|---------------|---------------------|--------------|
| S1 | 8,500 | R1 | 10,604 | 9,650 | Stochastic oversold | RSI below 50 |
| S2 | 6,812 | R2 | 11,675 | | | |
| S3 | 6,112 | R3 | 13,500 | | | |

Synopsis - Intraday

- Price is between the 8-21 period EMA
- RSI is below 50 (40)
- Stochastic is oversold
- Technically bearish with a continued downside target at USD 8,500, we did suggest a note of caution due to the divergence on the intraday technical. The futures traded to a low of USD 8,525 before finding buying support, price is now trading between the 8-21 period EMA's with the RSI below 50.
- Upside moves that fail at or below USD 10,604 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, the futures have achieved their downside target with the RSI now in divergence, not a buy signal it does warn we have the potential to see a momentum slowdown. Intraday Elliott wave analysis (sub-1-hour) does warn we could see one final test to the downside, making USD 10,604 the key levels to follow. If we do trade down to a new low the futures will not be considered a technical sell on downside breakouts. Note: we are very cautious on these wave cycles on lower timeframes as they can be a little less reliable.

Source Bloomberg



Capesize Q1 23 (Rolling front QTR)

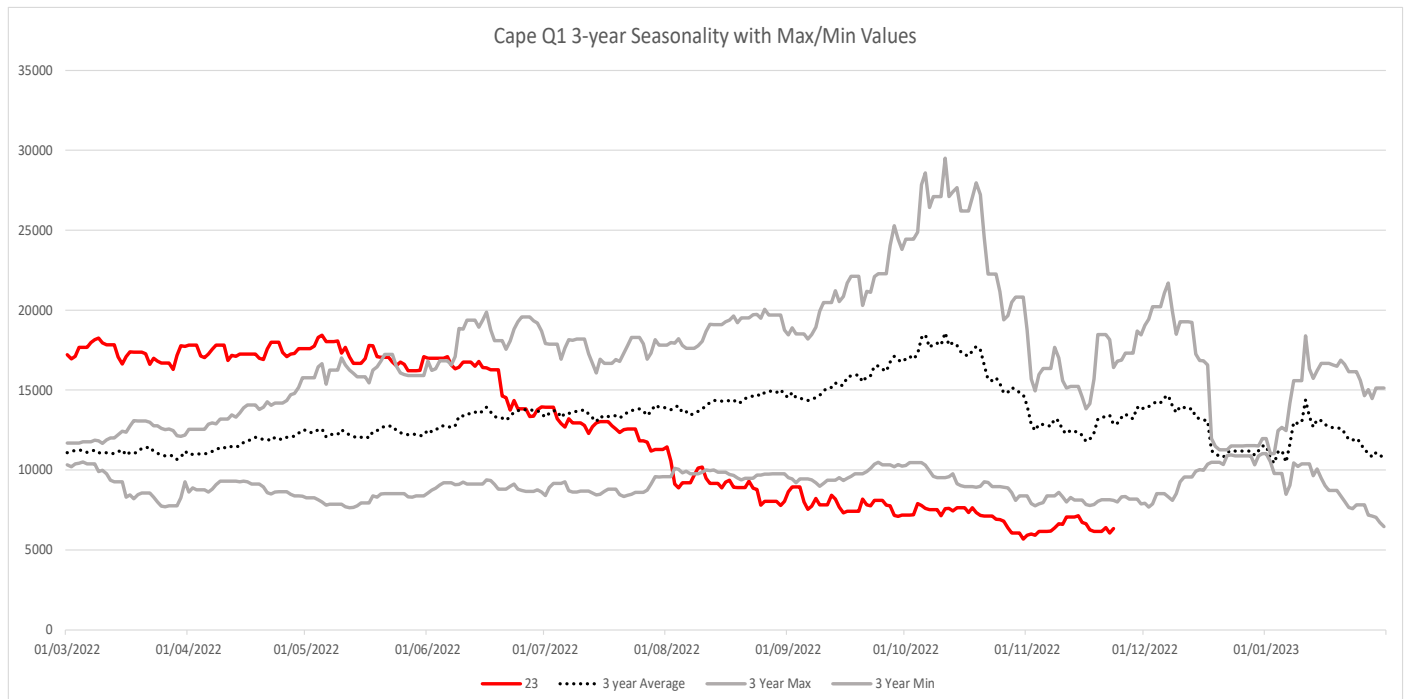


| | Support | Resistance | Current Price | Bull | Bear |
|----|---------|------------|---------------|---------------------|--------------|
| S1 | 5,800 | R1 | 6,990 | Stochastic oversold | RSI below 50 |
| S2 | 5,675 | R2 | 7,500 | | |
| S3 | 5,338 | R3 | 7,625 | | |

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is below 50 (46)
- Stochastic is overbought
- Technically bearish last week the rejection candle followed by a lower close warned that support level could come under pressure. The futures did move lower to trade below the USD 6,262 support, meaning we now target the USD 5,625 low. Price is below all key moving averages supported by the RSI below 50.
- Upside moves that fail at or below USD 6,990 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Only on a close above USD 7,625 is the technical bullish.
- Technically we remain bearish having broken the USD 6,262 support level yesterday, warning the USD 5,625 low is vulnerable. However, if we see the daily futures closing above USD 6,375 then the USD 6,990 and USD 7,500 resistance levels could come under pressure. Downside moves below USD 5,625 will create a positive divergence with the RSI, not a buy signal it does warn of a momentum slowdown. Technically we are a very cautious bear, but we do not consider the futures a technical sell due to the potential limited downside.



Capesize Cal 23



| | Support | Resistance | Current Price | Bull | Bear |
|----|---------|------------|---------------|--------------|------|
| S1 | 11,250 | R1 | 13,125 | RSI below 50 | |
| S2 | 10,535 | R2 | 13,575 | | |
| S3 | 9,500 | R3 | 13,900 | | |

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA
- RSI is below 50 (42)
- Stochastic is below 50
- Technically bearish last week with momentum warning the futures were vulnerable to a move to the downside, the futures traded USD 500 lower before finding light support today. Price is below all key moving averages supported by the RSI below 50.
- Upside moves that trade above the USD 13,125 will warn that the USD 13,575 fractal resistance is vulnerable, above this level the technical is bullish. The futures have traded below the USD 11,887 support, warning the USD 11,250 low could come under pressure.
- Like the Q1 futures we are a cautious bear at this point, as downside breakouts will create a second positive divergence with the RSI, warning we have the potential to see a momentum slowdown.

