



# Capesize Technical Report

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## Index

The index produced the higher high last week, setting the bias of the market for the following few sessions, making the overbought stochastic less relevant, as the RSI had moved above 50. We remain technically bullish with price now testing the 55-period MA (USD 14,536), a close above this level tomorrow would suggest the USD 14,821 and USD 15,386 resistance levels could come under pressure. Key support is currently at USD 13,111; however, a move higher tomorrow will mean fractal resistance will move up to USD 13,276, below this level the technical will be bearish.

## Jan 23

We were cautious on downside moves last week due to a divergence, seasonality, and the Jan outright trading above USD 8,000. This proved to be valid as the futures have since moved higher. The intraday technical now has a neutral bias, above USD 10,453 the daily technical become bearish neutral, if we hold below this level the technical remains vulnerable to further tests to the downside. key support is at USD 7,916, downside moves that hold above this level will support a near-term bull argument, below this level we target the USD 6,675 fractal low. Technically bearish, resistance levels look like they could be broken, upside moves above USD 10,453 will target the USD 11,174 and USD 12,400 resistance levels.

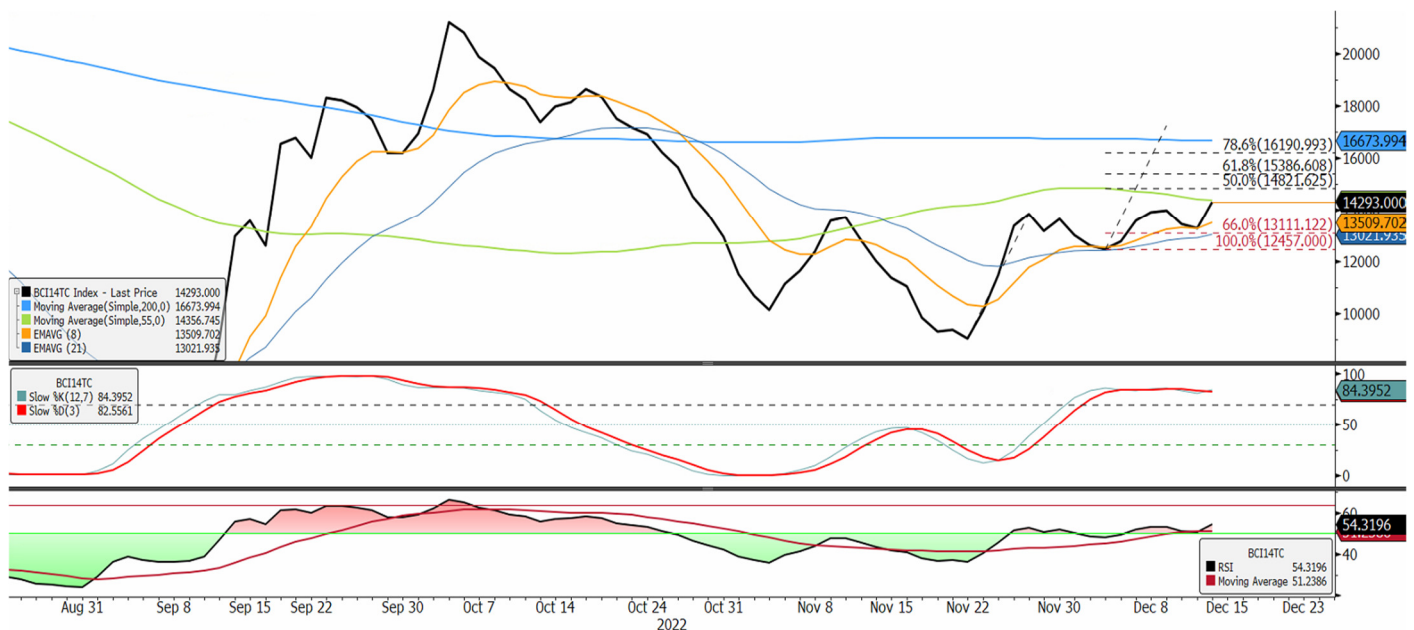
## Q1 23

We noted on the last report that the futures remained undervalued with price testing the 55-period average, a close above this level warned that resistance levels could be tested and broken. The futures moved higher, the technical is now bullish with Elliott wave analysis suggesting we could target USD 9,743 for this phase of the cycle. The same wave analysis suggests that downside should be countertrend. Technically bullish, the RSI is now in divergence with the RSI, not a sell signal it does warn we have the potential to see a momentum slowdown and will need to be monitored.

## Cal 23

Technically bearish but not a technical sell last week, the RSI moved above 50, meaning momentum suggested we were vulnerable to a test to the upside. The futures have moved higher with the technical now in bullish territory. Intraday Elliott wave analysis suggests we have the potential to trade as high as USD 14,061 within this phase of the cycle, with downside moves considered as countertrend. Technically bullish, the intraday RSI is in divergence and will need to be monitored, as it is warning we have the potential to see a momentum slowdown.

# Capesize Index

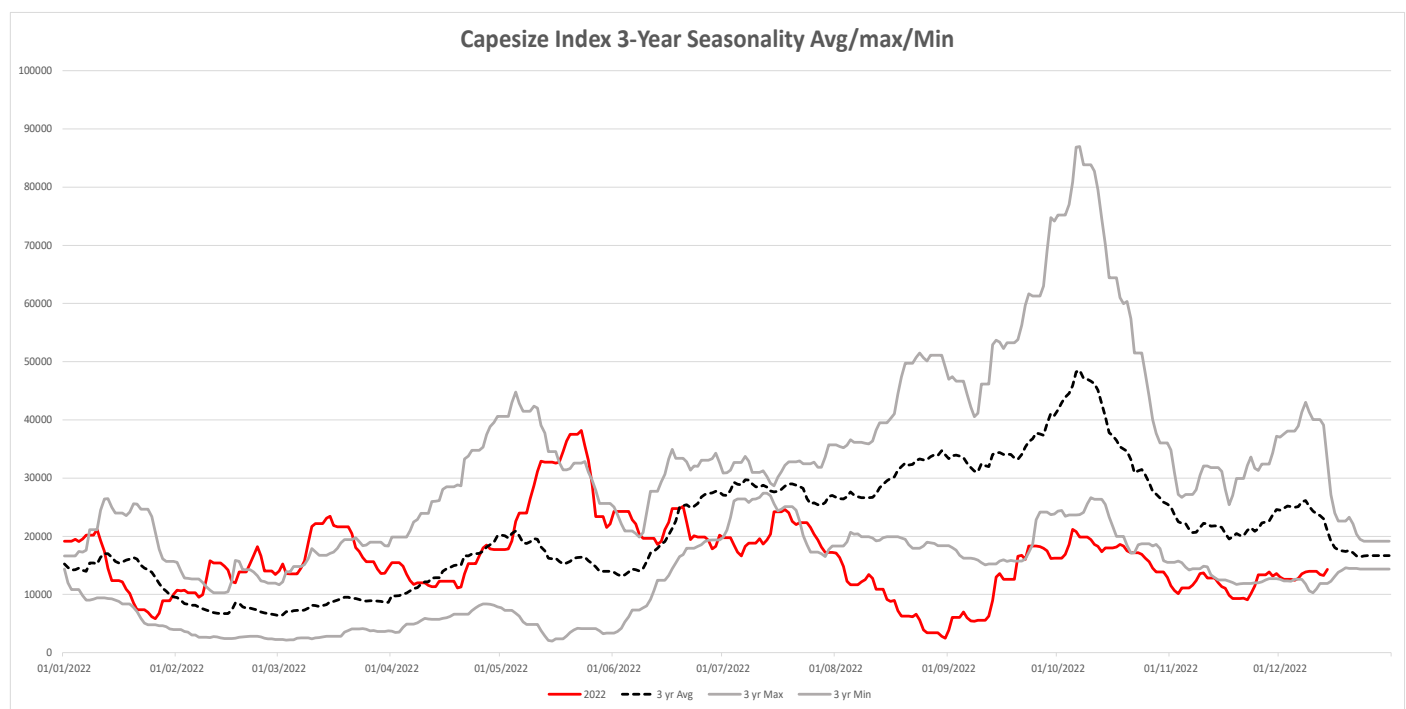


	Support	Resistance	Current Price	Bull	Bear
S1	13,276	R1	14,821	RSI above 50	Stochastic overbought
S2	13,111	R2	15,386		
S3	12,457	R3	16,190		

## Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is below 50 (49)
- Stochastic is overbought
- Technically bullish but in a corrective phase last week, momentum was warning we had the potential for a move to the downside, as did the seasonality charts. However, an upside move on the 06/12 meant we had the potential to close above the USD 12,839 level the following day, if we did, and the RSI moved above 50 then, the stochastic would be considered as less relevant. We did get the higher close, resulting in the index moving higher over the next few sessions, price is above the 8-21 period EMA's supported by the RSI above 50.
- A close below USD 13,571 will mean momentum based on price will be aligned to the sell side. Downside moves that hold at or above USD 13,111 will support a bull argument, below this level the technical will have a neutral bias. If we move higher again tomorrow (15/12/22) then USD 13,276 will become the key fractal low, meaning a downside move below this level will take the index into bear territory.
- Technically bullish, if we close above the 55-period MA tomorrow (USD 14,356) then we will target the USD 14,821 and USD 15,386 levels in the near-term, with the potential to trade higher.



# Capesize January 23 (1 Month forward)

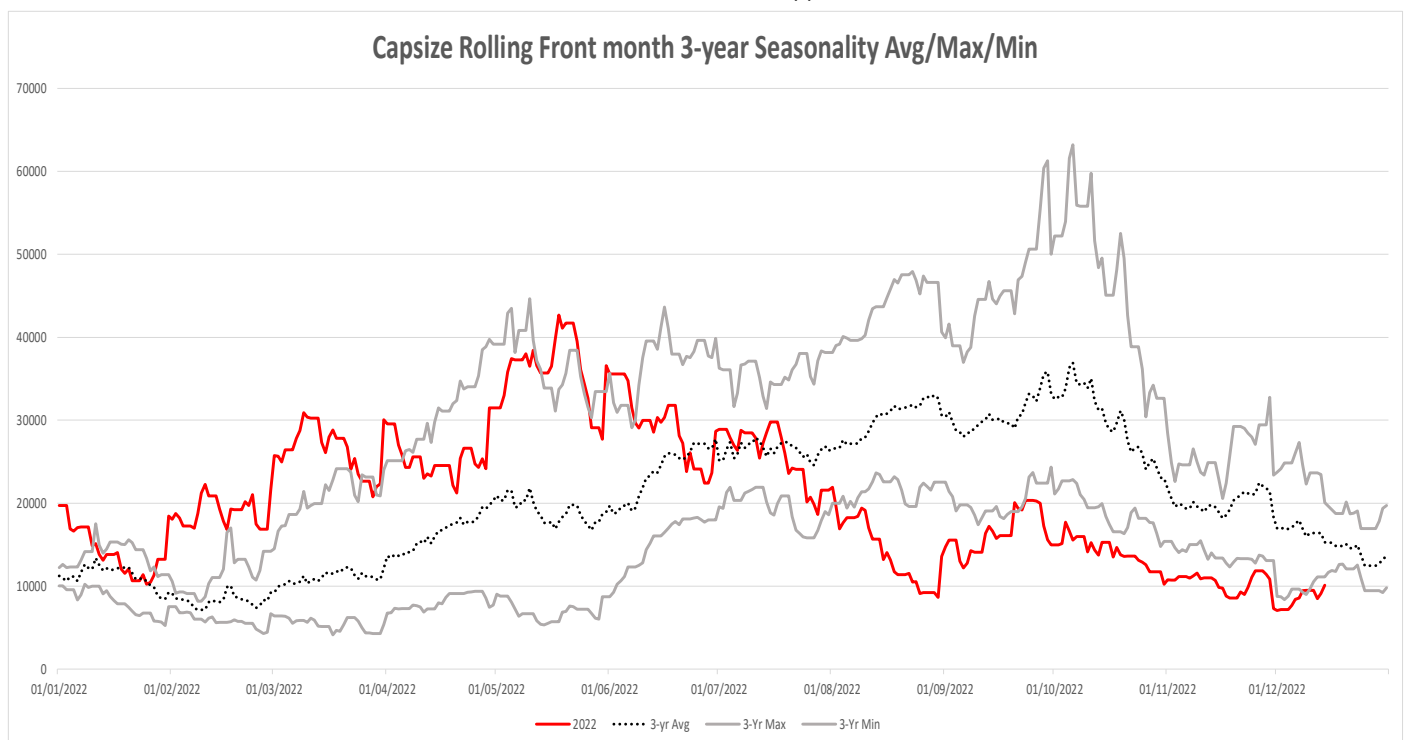


	Support	Resistance	Current Price	Bull	Bear
S1	8,930	R1	10,453		
S2	8,500	R2	11,174		RSI below 50
S3	7,916	R3	12,400		

## Synopsis - Intraday

- Price is above the 8-21 period EMA
- RSI is below 50 (48)
- Stochastic is below 50
- Technically bearish last week, we were cautious on downside moves because the outright Jan futures (not the rolling front month) had made a higher high above USD 8,000 whilst the rolling front month had produced a positive divergence on the roll lower. We also noted that the 3-year average lows had moved higher during this period. The futures have moved higher with price above the 8-21 period EMA's with the RSI still below 50.
- The intraday technical now has a neutral bias, the daily technical is testing the USD 10,453 resistance, upside moves that fail to trade above this level will leave the futures vulnerable to a test to the downside, above this level the daily technical will have a neutral bias. Likewise, downside moves that hold at or above USD 7,916 will support a near-term bull argument, below this level we target the USD 6,675 low.
- Technically bearish with resistance levels looking like they will be broken, upside moves above USD 10,453 will target the USD 11,174 and USD 12,400 resistance levels. Only above the tertiary resistance is the technical bullish. If we see an intraday close on the 4-hour candle below USD 9,000 it will warn the USD 7,916 support could be tested and broken

Source Bloomberg



# Capesize Q1 23 (Rolling front QTR)

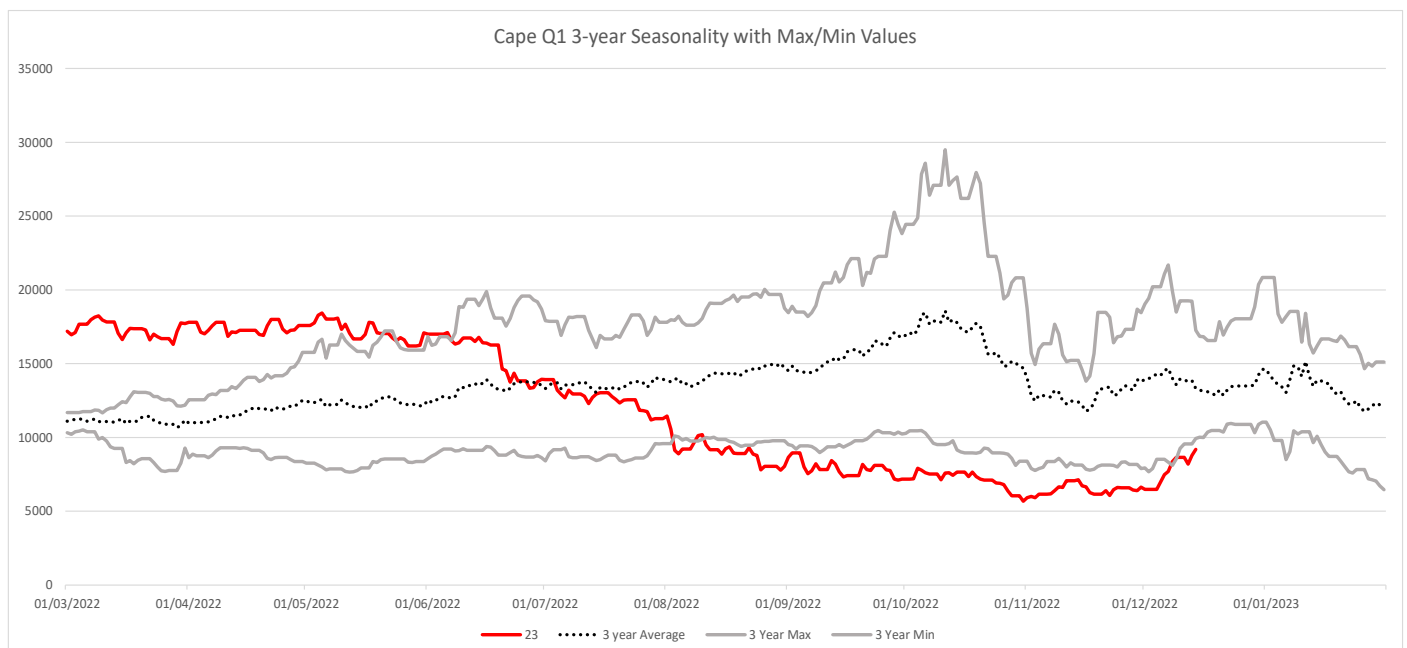


	Support	Resistance	Current Price	Bull	Bear
S1	8,723	R1	9,362	RSI above 50	Stochastic overbought
S2	8,285	R2	9,743		
S3	7,750	R3	10,284		

## Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is above 50 (65)
- Stochastic is overbought
- Technically bearish with a neutral bias on the last report, we noted that the futures were testing the 55-period average, a close above this level and a move above USD 7,500 will warn of further upside moves, with the futures needing to trade above USD 7,700 to be bullish. We also highlighted the futures were trading below the 3-year average lows, with the Q1 21 going on to trade above USD 16,000, highlighting the futures remained under valued. Price has moved higher with the futures above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 8,302 will support a bull argument, below this level the technical will have a neutral bias. Only below USD 7,750 will the technical be bearish.
- Technically bullish we now target the USD 9,743 level for this phase of the cycle. Intraday Elliott wave analysis would suggest that downside moves should be considered as countertrend. We now have a small note of caution due to the negative divergence with the RSI.



# Capesize Cal 23



	Support	Resistance	Current Price	Bull	Bear
S1	12,898	R1	13,825	RSI above 50	Stochastic overbought
S2	12,612	R2			
S3	12,224	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is below 50 (63)
- Stochastic is overbought
- Technically bearish but not a technical sell last week, if the RSI moves above 50 (it was at 49) then momentum warned the futures were vulnerable to a move to the upside. The futures have moved higher with price above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 12,224 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the intraday Elliott wave would suggest we have the potential to trade as high as USD 14,061 within this phase of the cycle, it also suggests that downside moves should be considered as countertrend. Again, a note of caution as the intraday RSI is now in divergence, not a sell signal it does warn that we are vulnerable to a momentum slowdown.

