



Capesize Technical Report

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

Index

Technically bullish with a neutral bias last week, support levels had looked vulnerable based on momentum indicators and seasonality charts. Support is holding at this point with price starting to move higher, a close above USD 13,361 will mean momentum based on price is aligned to the buy side. The RSI is now at 47 with the stochastic in oversold territory, if the RSI moves above 50 with price closing above USD 13,361, then resistance levels could be vulnerable. However, we remain mindful of seasonality at this time of year as it is historically bearish, suggesting caution at this point, especially with the pullback being deep.

Feb 23

We are a cautious bear last week as the futures were at a 50% discount to the index whilst below USD 6,675 the futures would have produced a positive divergence with the RSI. The futures did move higher with price approaching the USD 9,696 resistance, the technical is vulnerable to further tests to the downside below this level, and neutral above. If the resistance is broken there is a second resistance zone between USD 10,800 and USD 11,300 that will be a target for market buyers but also an area of interest from market sellers. Above USD 11,150 the technical is bullish based on price, but for the market to go on a run it is going to need to close above and hold above the USD 11,300 level. Technically bearish with key near-term resistance at USD 9,696, if it holds then support levels have the potential to come under pressure.

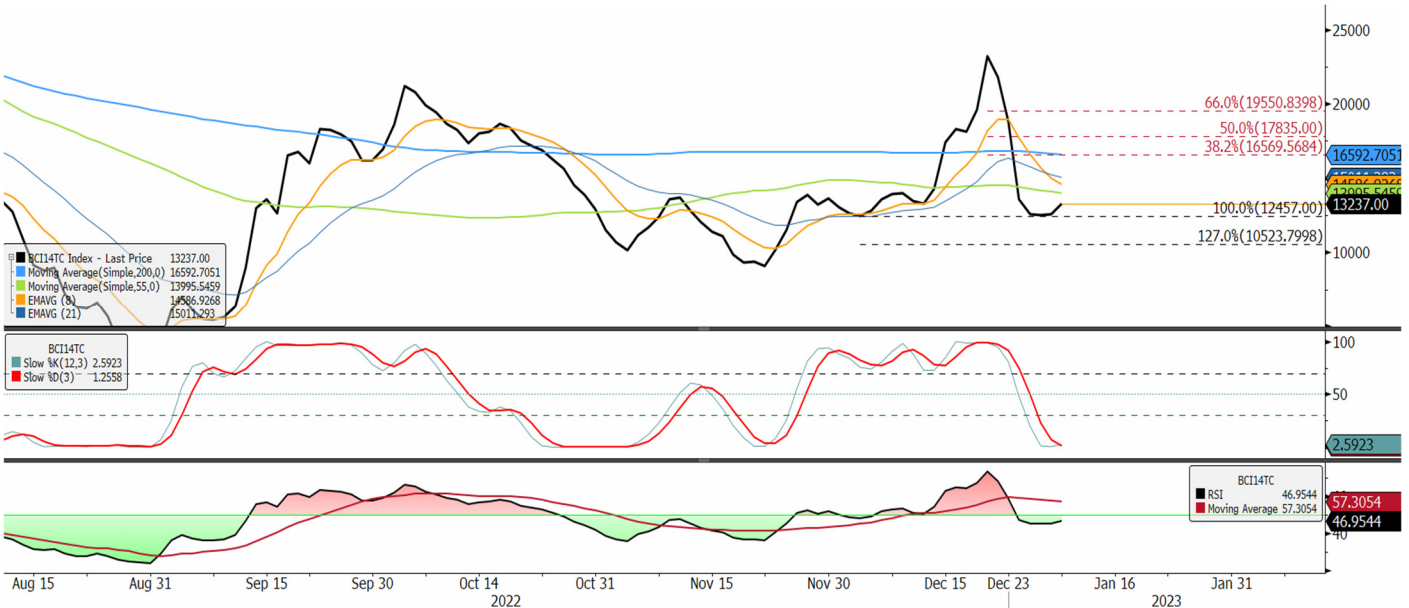
Q1 23

The futures were on a bullish Elliott wave 5 last week but in a corrective phase with price needing to hold the USD 8,550 level, which it did. The subsequent upside move has resulted in the futures trading to new highs, we now have a minor negative divergence in play 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. A close above USD 10,877 coupled with a divergence failure will warn that the USD 11,588 and USD 12,425 resistance levels could be vulnerable. A cautious bull due to the divergence.

Cal 24

Technically bearish last week with flat EMA's and seasonality, Elliott wave analysis left us cautious on upside moves. The futures moved higher, more than anticipated, resulting in price trading to a new high, creating a negative divergence with the RSI. Not a sell signal it means we remain cautious on upside moves at this point.

Capesize Index

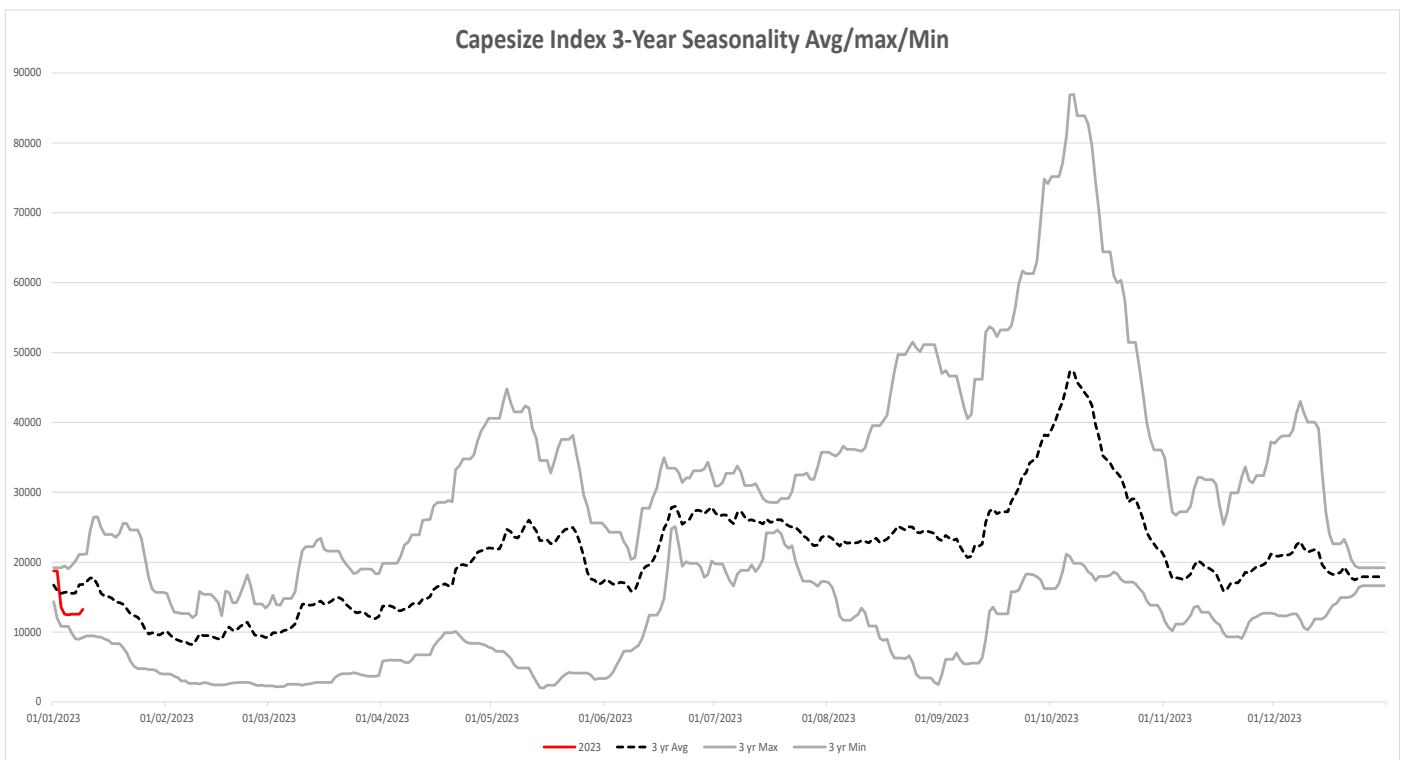


	Support	Resistance	Current Price	Bull	Bear
S1	12,457	R1	16,569	Stochastic oversold	RSI below 50
S2	10,523	R2	17,835		
S3	9,057	R3	19,550		

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (46)
- Stochastic is oversold
- Technically bullish with a neutral bias last week, momentum and seasonality had warned that support levels were vulnerable. The index moved less the USD 1,000 lower before finding support, with price now starting to move higher. We remain below all key moving averages supported by the RSI below 50.
- A close above USD 13,361 will indicate that momentum based on price is starting to strengthen. Upside moves that fail at or below USD 16,550 will leave the Index vulnerable to further tests to the downside, above this level we target the USD 23,197 high. Downside moves below USD 12,457 will be bearish.
- Technically bullish with a neutral bias, the RSI remains below 50 (46.9) but the stochastic is now oversold. If the RSI moves above 50 on a close above USD 13,361 then resistance levels could be vulnerable; however, we remain mindful of seasonality at this time of year as it is due a turn to the downside.



Capesize February 23 (1 Month forward)

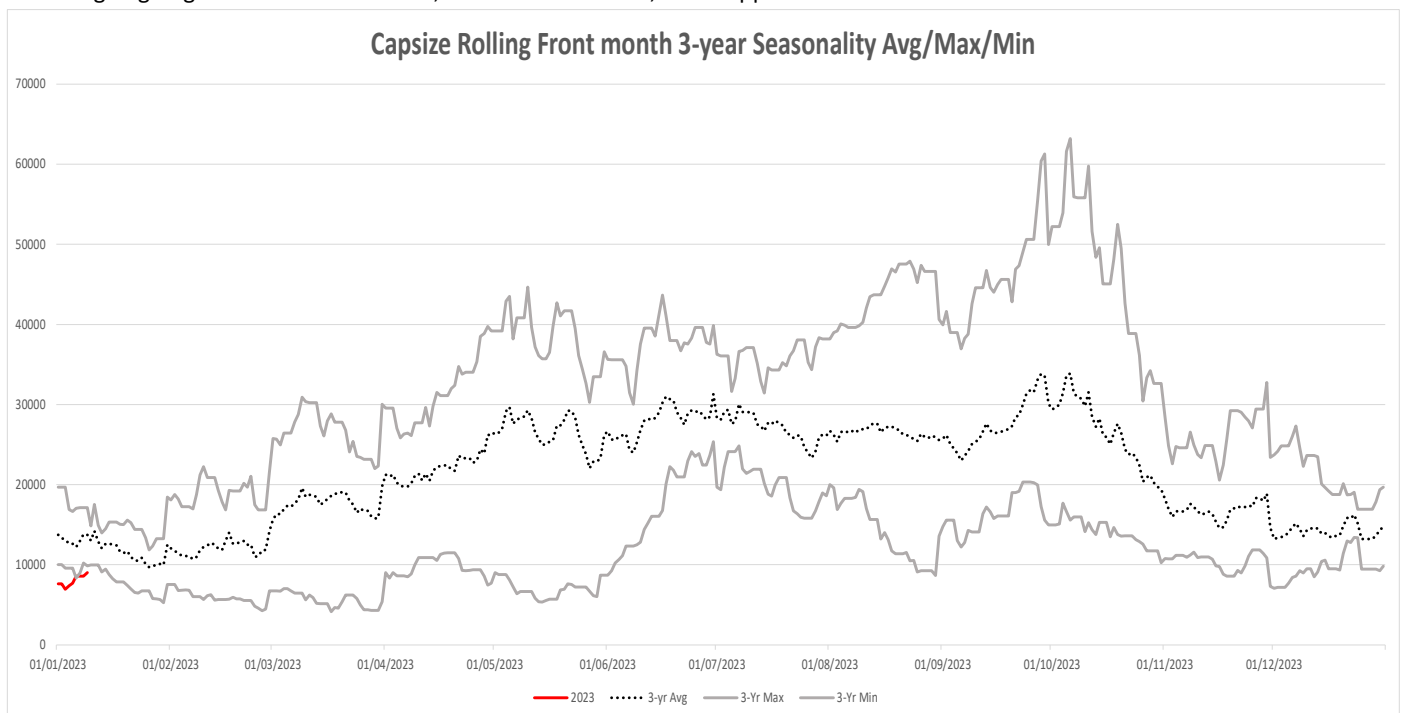


Support	Resistance	Current Price	Bull	Bear
S1	R1	9,025	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

- Price is between the 8-21 period EMA
- RSI is below 50 (46)
- Stochastic is oversold
- Technically bearish last week but with a note of caution, as a downside move below USD 6,675 had the potential to create a positive divergence, whilst the futures were already trading at a 50% discount to the index. Seasonality is bearish, but as noted on the intraday EMA's on the morning technical report, the futures were looking overextended to the downside. Price has moved higher with the futures trading between the 8-21 period EMA's, whilst the RSI remains below 50.
- Upside moves that fail at or below USD 9,696 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Likewise, downside moves that hold at or above USD 7,523 will support a near-term bull argument, below this level the technical will have a neutral bias.
- We remain technically bearish with price approaching key resistance at USD 9,696. If broken we have a resistance zone that has formed between USD 10,800 – USD 11,300 that will be a near-term target zone for market buyers, but also an area of interest to market sellers. Upside moves above USD 11,150 will break a fractal resistance meaning the technical will be considered as bullish; however, we will need to see price close above and hold above USD 11,300 to convince that the futures are going to go on a run. If the USD 9,696 resistance holds, then support levels will be vulnerable.

Source Bloomberg



Capesize Q1 23 (Rolling front QTR)

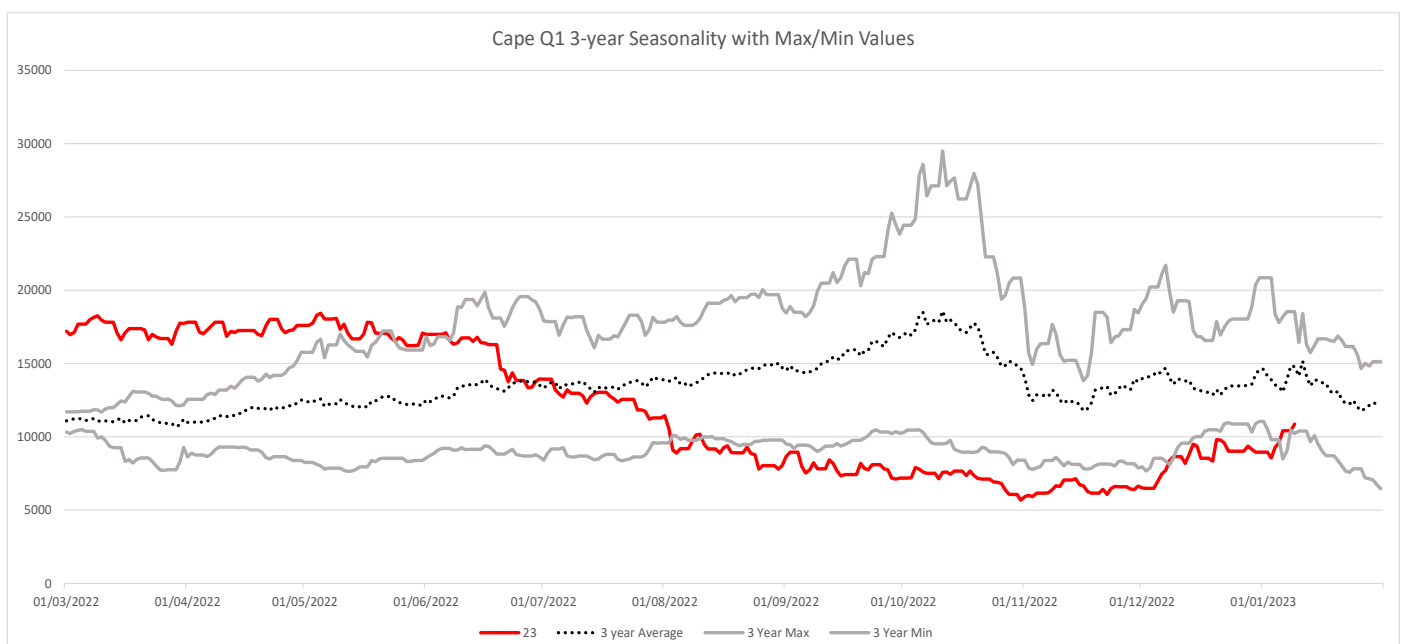


	Support	Resistance	Current Price	Bull	Bear
S1	9,792	R1	10,877	RSI above 50	
S2	9,438	R2	11,558		
S3	9,159	R3	12,425		

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is above 50 (67)
- We noted last week the futures had entered a bullish Elliott wave 5 meaning the futures had achieved the minimum requirement for phase/cycle completion, making USD 8,550 the key support to follow. If broken the probability of the futures entering a more sustained corrective phase would increase, seasonality warned that support levels could be vulnerable. The futures traded to a low of USD 8,700, held support and have since traded up to new highs. Price is above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 9,438 will support a bull argument, below this level the technical will have a neutral bias. Only below USD 8,700 is the technical bearish.
- Technically bullish with price testing the USD 10,877 resistance, we have a minor negative divergence with the RSI in play. Not a sell signal, it does warn that we have the potential to see a momentum slowdown and will need to be monitored. A close above USD 10,877 alongside a divergence failure will leave the USD 11,588 and USD 12,425 resistance levels vulnerable. A cautious bull due to the divergence.



Capesize Cal 24



Support	Resistance	Current Price	Bull	Bear
S1	R1	15,075	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is above 50 (61)
- Stochastic is overbought
- Flat EMA's and seasonality indicated a lack of trend in the market; However, Elliott wave analysis warned that there is still the potential for one more wave to the downside, suggesting caution on upside moves. The futures did have a strong move to the upside with price above all key moving averages, supported by the RSI above 50.
- Downside moves that hold at or above USD 14,095 will support a near-term bull argument, below this level the technical will have a neutral bias. only below USD 12,875 is the technical bearish.
- Technically bullish, the RSI is now in divergence with the price, not a sell signal, it does warn that we have the potential to see a momentum slowdown. Although the upside move has been stronger than anticipated we remain cautious on upside moves at this point.

