



# Capesize Technical Report

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## Index

Technically bullish with a neutral bias on the last report, we remained mindful that seasonality leaned to the sell side. The index has moved lower with momentum based on price aligned to the sell side, the technical is bearish having broken fractal support. A close above USD 11,742 will mean momentum based on price is aligned to the buy side, upside moves that fail at or below USD 12,398 will leave the index vulnerable to further tests to the downside. Technically bearish with seasonality to the downside, making USD 12,398 the key level to follow.

## Feb 23

Technically bearish last week having rejected the USD 9,696 resistance, the futures did move lower with price trading below but closing above the USD 7,523 level, supporting a near-term bull argument. We remain technically bearish with key resistance unchanged at USD 9,696, above USD 11,150 we are bullish, but we still have a resistance zone between USD 10,800 and USD 11,300. We maintain our view that the futures need to close above and hold above the USD 11,300 level to go on any form of sustained run. Although breached, the rejection of the USD 7,523 level is warning that resistance levels could be vulnerable in the near-term.

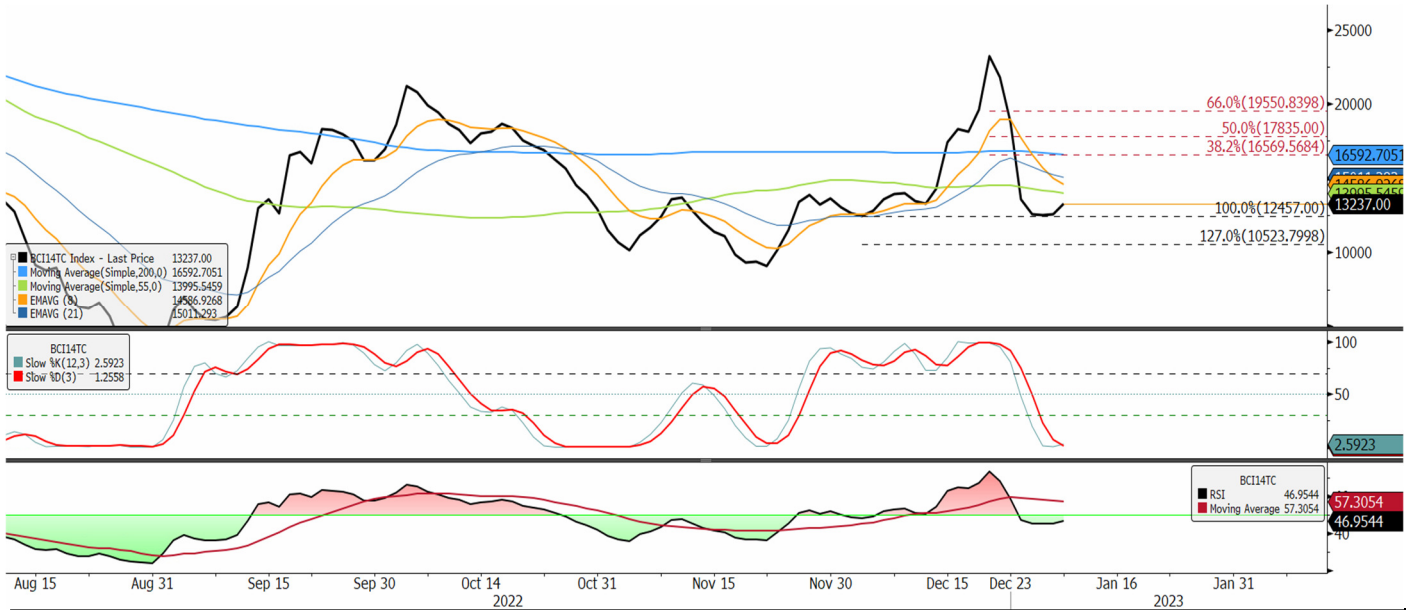
## Q2 23

Technically bullish with the futures making higher highs whilst above all key moving averages, supported by the RSI above 50. We do have a minor negative divergence with the RSI, this is more prominent on the intraday technical, not a sell signal it is warning we could see a momentum slowdown and will need to be monitored. However, intraday Elliott wave analysis would suggest that downside moves should be considered as countertrend at this point.

## Cal 24

A cautious bull last week due to the negative divergence with the RSI, the futures have continued to trade to new highs. We remain technically bullish, but the futures are still in divergence with price now testing the 200-period MA at USD 16,057, the futures are now at an inflection point. If we close above the 200-period MA, and the negative divergence fails, it will further support a bull argument. We remain a cautious bull due to the divergence at this point, but we are conscious that seasonality supports the current upside move.

# Capesize Index

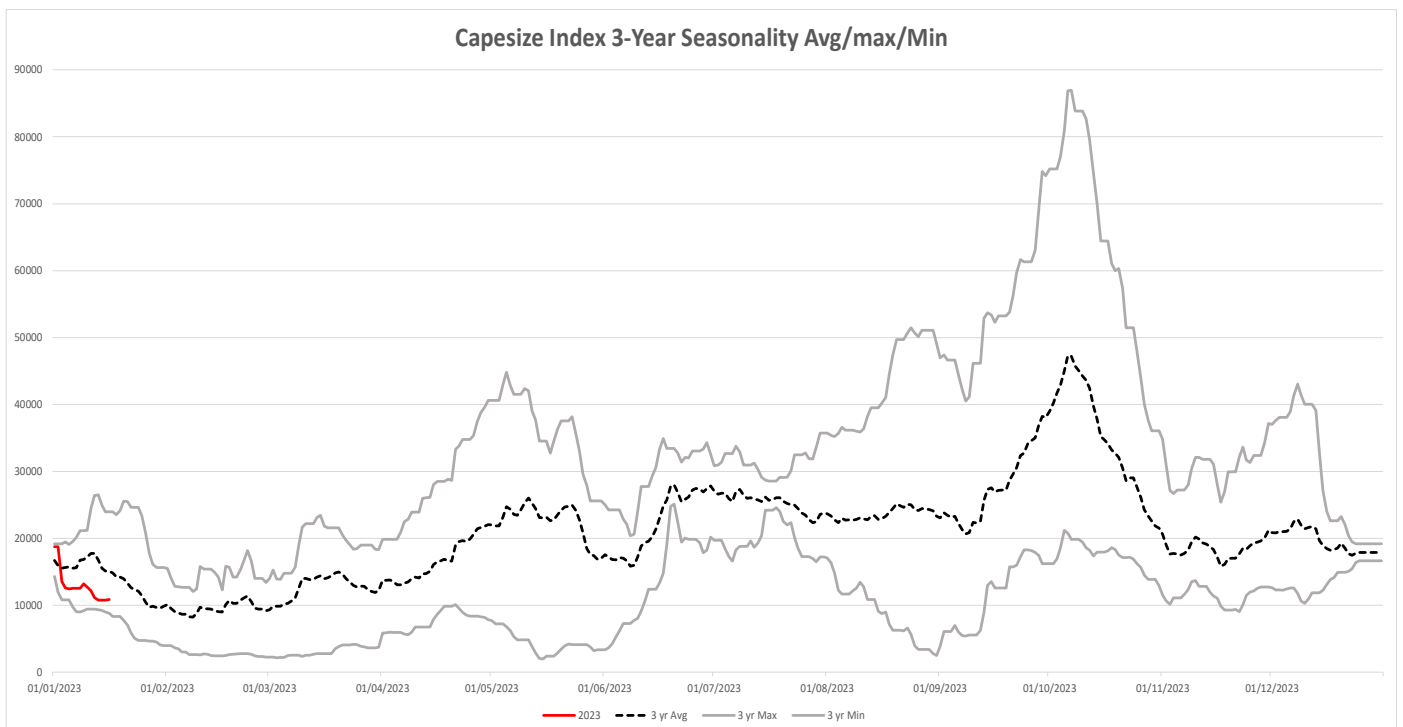


	Support	Resistance	Current Price	Bull	Bear
S1	9,140	R1	11,742	Stochastic oversold	RSI below 50
S2	7,875	R2	12,398		
S3	6,609	R3	13,237		

## Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (42)
- Stochastic is oversold
- Technically bullish with a neutral bias last week, we remained mindful of the seasonality chart as it indicated that the index was due a turn to the downside. The RSI failed to move above 50 with price moving lower, the technical is now bearish. Price is below all key moving averages with the RSI below 50.
- Momentum based on price is aligned to the sell side, a close above USD 11,742 will indicate it is aligned to the buy side. Upside moves that fail at or below USD 12,398 will leave the index vulnerable to a test to the downside, above this level the technical will have a neutral bias. Only above USD 13,237 is the technical bullish.
- Technically bearish, we have seen a positive index today; however seasonality leans to the sell side making USD 12,398 the key level to follow in the near-term.



# Capesize February 23 (1 Month forward)

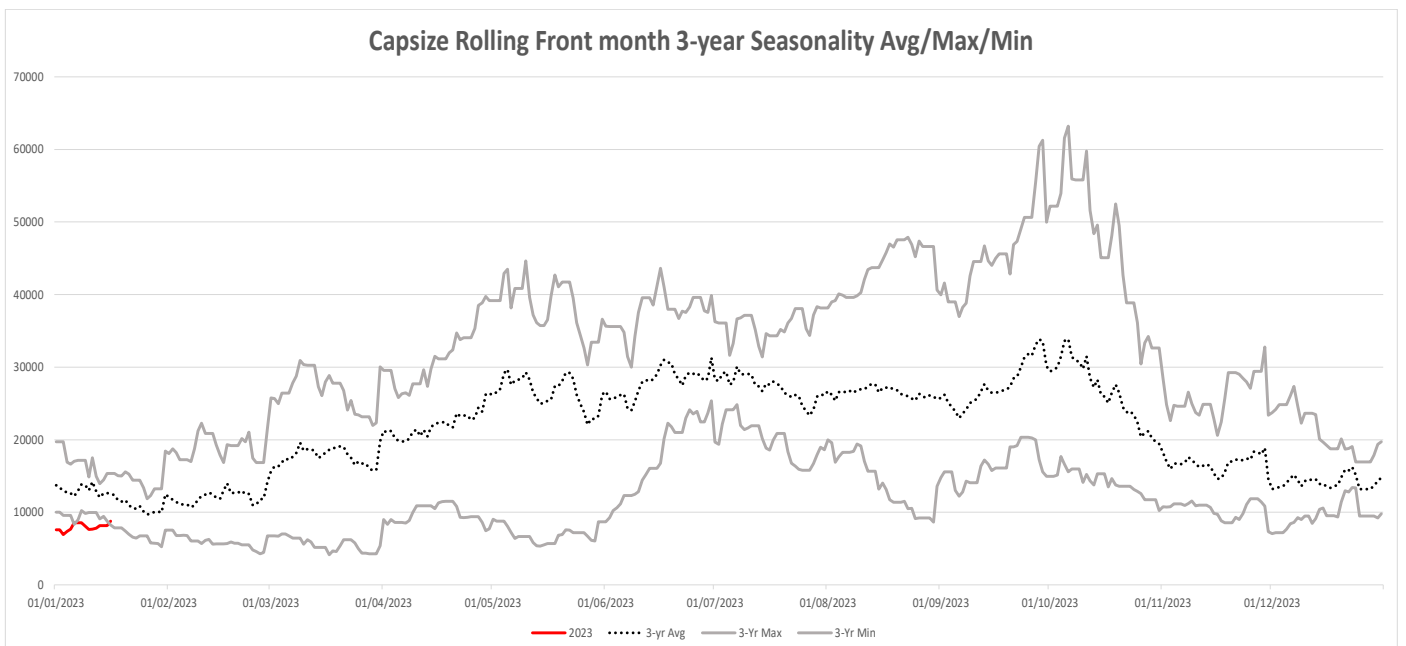


Support		Resistance		Current Price	Bull	Bear
S1	7,523	R1	9,696	8,825	Stochastic oversold	RSI below 50
S2	6,675	R2	10,800			
S3	6,093	R3	11,150			

## Synopsis - Intraday

- Price is between the 8-21 period EMA
- RSI is below 50 (46)
- Stochastic is oversold
- Technically bearish last week with the futures nearing the USD 9,696 resistance, if broken we had a resistance zone between USD 10,800 – USD 11,300 that needed to be broken for the futures to go on a run. The resistance did hold but the futures have failed to test the USD 6,750 low with price holding the USD 7,523 support. Price is back between the 8-21 period EMA's with the RSI 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. The futures have held the USD 7,523 level (this level was breached on the intraday warning of technical weakness; however, we closed above the support and have since moved higher), supporting a near-term bull argument.
- Technically bearish, key resistance remains unchanged at USD 9,696, above USD 11,150 the technical is bullish; however, we still have a resistance zone between USD 10,800 – USD 11,300. We maintain our view that for the futures to go on any form of sustained run, we need to see price close above and hold above the USD 11,300 level.

Source Bloomberg



# Capesize Q2 23 (Rolling front QTR)

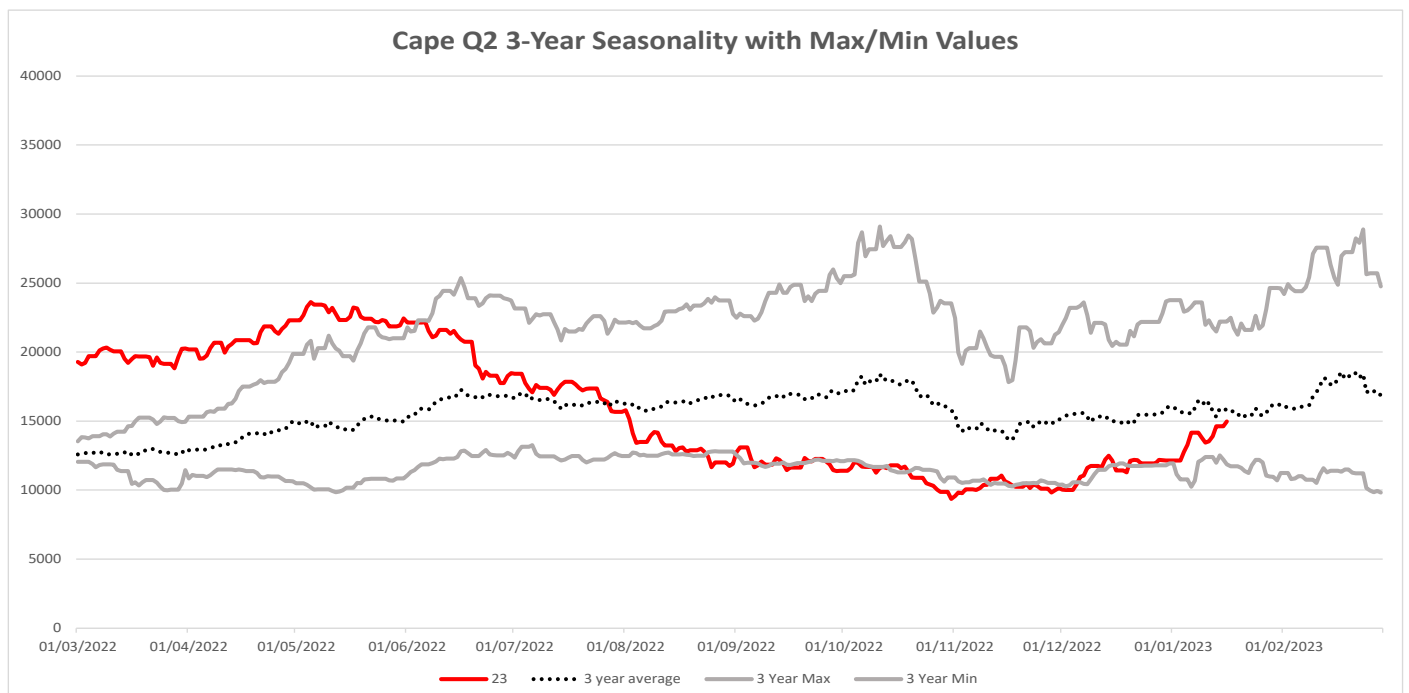


	Support	Resistance	Current Price	Bull	Bear
S1	14,268	R1	14,975	RSI above 50	Stochastic overbought
S2	14,050	R2			
S3	13,754	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is above 50 (69)
- Stochastic is overbought
- The Q2 futures continue to trade to new highs meaning the technical is considered to be bullish. Price is above all key moving averages supported by the RSI above 50. Seasonality charts are also bullish.
- Downside moves that hold at or above USD 13,754 will support a near-term bull argument, below this level the technical will have a neutral bias. Only below USD 13,125 is the technical bearish.
- Technically bullish, we have a minor negative divergence on the daily chart; however, this is more prominent on the intraday technical. Not a sell signal it is a warning that we have the potential to see a momentum slowdown and will need to be monitored. Intraday Elliott wave analysis would suggest that downside moves should be considered as countertrend at this point. Bullish and in trend, be mindful of the divergence.



# Capesize Cal 24



Support	Resistance	Current Price	Bull	Bear
S1	R1	16,000	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 (65)
- Stochastic is overbought
- A cautious bull last week as the futures remained in divergence with the RSI. The futures continue to move higher with price above the 8-21 period EMA's supported by the RSI above 50.
- Downside moves that hold at or above USD 15,045 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.
- The futures remain technically bullish with the divergence still in play; however, this is now marginal. The futures are now testing the 200-period MA at USD 16,057, a benchmark average on any technical. If we see a close above the average and a divergence failure, then it will further support a bull argument. We remain a cautious bull at this point but conscious that seasonality supports this upside move.

