



Capesize Technical Report

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

Index

Technically bearish last week with seasonality supporting a downside move, the index having produced a positive close continued to move lower. We remain below all key moving averages with the RSI below 50, a close above USD 8,293 will indicate that buy-side momentum is starting to strengthen, warning resistance levels could be tested. Upside moves that fail at or below USD 10,808 will leave the index vulnerable to further tests to the downside, above this level the technical will have a neutral bias.

Feb 23

Technically bearish last week with the futures rejecting the USD 9,696 resistance, resulting in price breaking the USD 7,523 support, further weakening the technical. We have now traded to a new low meaning there is a positive divergence in play, not a buy signal it does warn we have the potential to see a momentum slowdown and will need to be monitored. We remain in a bearish trending environment, but due to the divergence the futures are not considered a technical sell at these levels.

Q2 23

Technically bullish on the last report with downside moves considered to be countertrend. The futures have traded into the Fibonacci support zone but remain above the USD 12,542 support, price is bullish above this level and neutral below. Intraday Elliott wave analysis continues to suggest that downside moves should be considered as countertrend, meaning we maintain a bullish view on the futures based on the wave cycle.

Cal 24

In divergence last week meaning we were a cautious bull, the futures failed to close above the 200-period average, resulting in a pullback to the 8-period EMA. Upside moves above USD 16,050 still have the potential to create a negative divergence with the RSI, suggesting caution on upside moves unless we see divergence failure. Seasonality remains bullish as our Elliott wave counts in the Q2 and Q3; however, the count on the Cal is less clear. We remain a cautious bull due to the potential divergence ahead, but based on the wave counts in the quarter we suspect that downside moves should be considered as countertrend at this point.

Capesize Index

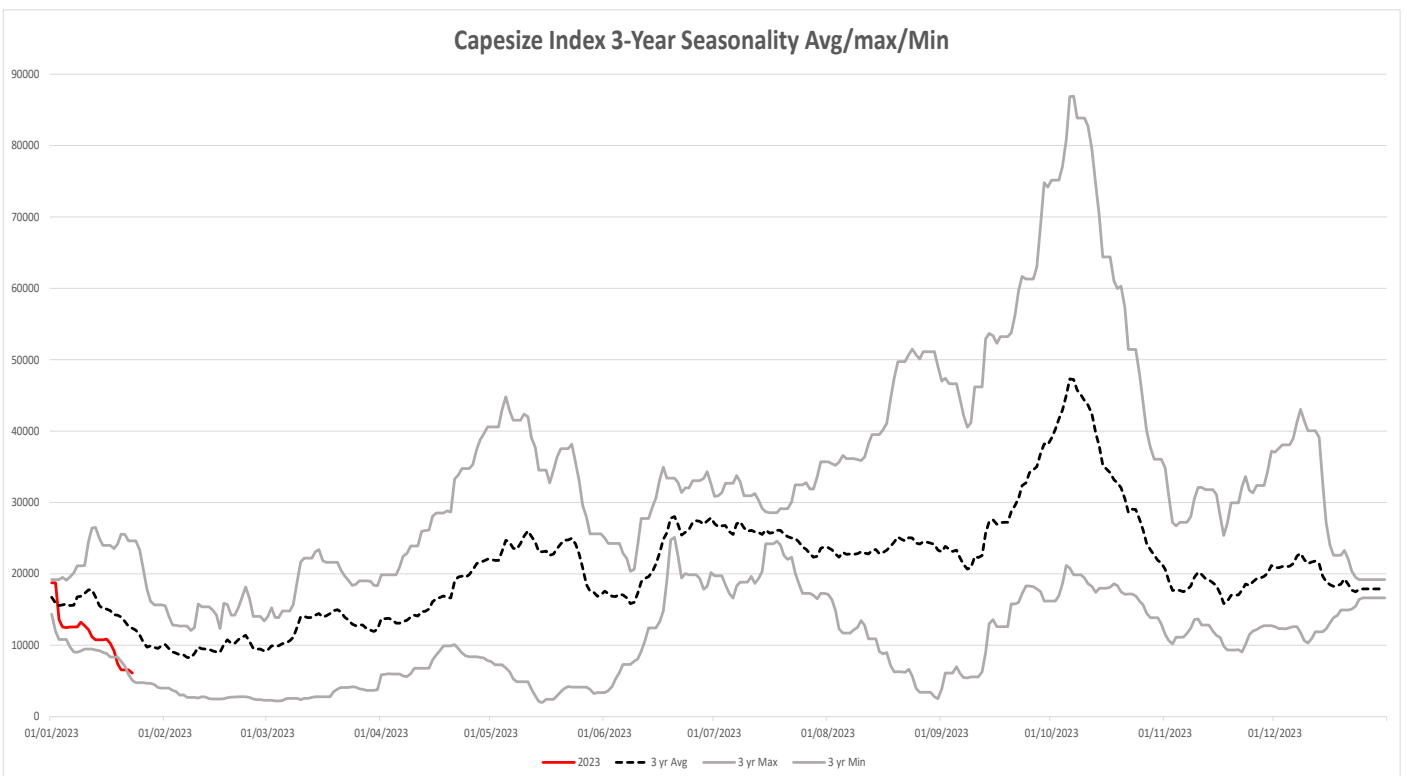


Support	Resistance	Current Price	Bull	Bear
S1	R1	6,094	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (33)
- Stochastic is oversold
- Technically bearish last week, we had seen a positive index but highlighted that seasonality was to the sell side, making USD 12,398 the key resistance to follow. The index continued to move lower with price trading below near-term support levels. Price is below all key moving averages with the RSI below 50.
- Momentum based on price remains aligned to the sell side, a close above USD 8,392 will mean it is aligned to the buy side. Upside moves that fail at or below USD 10,808 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 with price continuing to move lower, seasonality remains bearish until around the 08/02/23. A close above USD 8,293 will warn that the USD 8,822 – USD 10,808 Fibonacci resistance zone is vulnerable.



Capesize February 23 (1 Month forward)

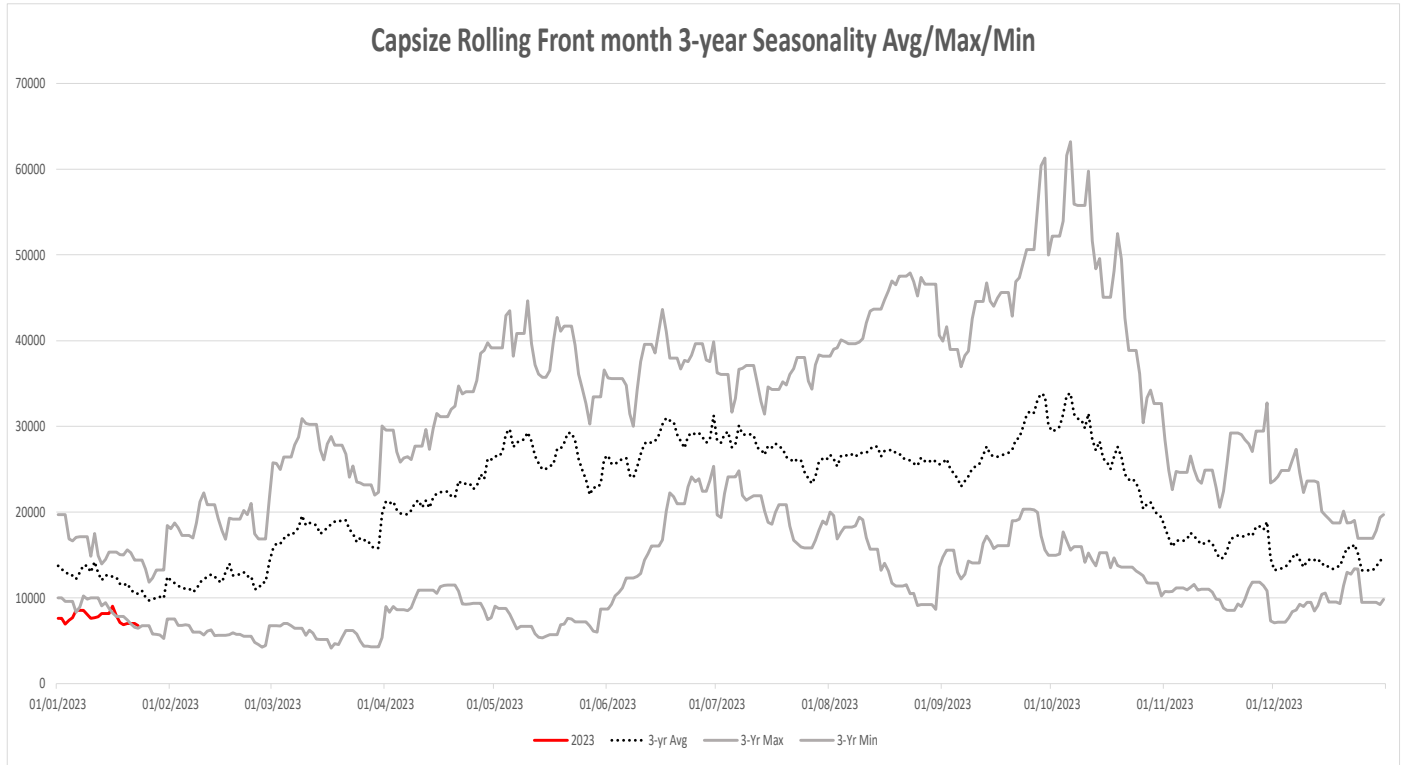


Support		Resistance		Current Price	Bull	Bear
S1	6,093	R1	9,125	6,700	Stochastic oversold	RSI below 50
S2	4,900	R2	9,696			
S3	4,162	R3	11,150			

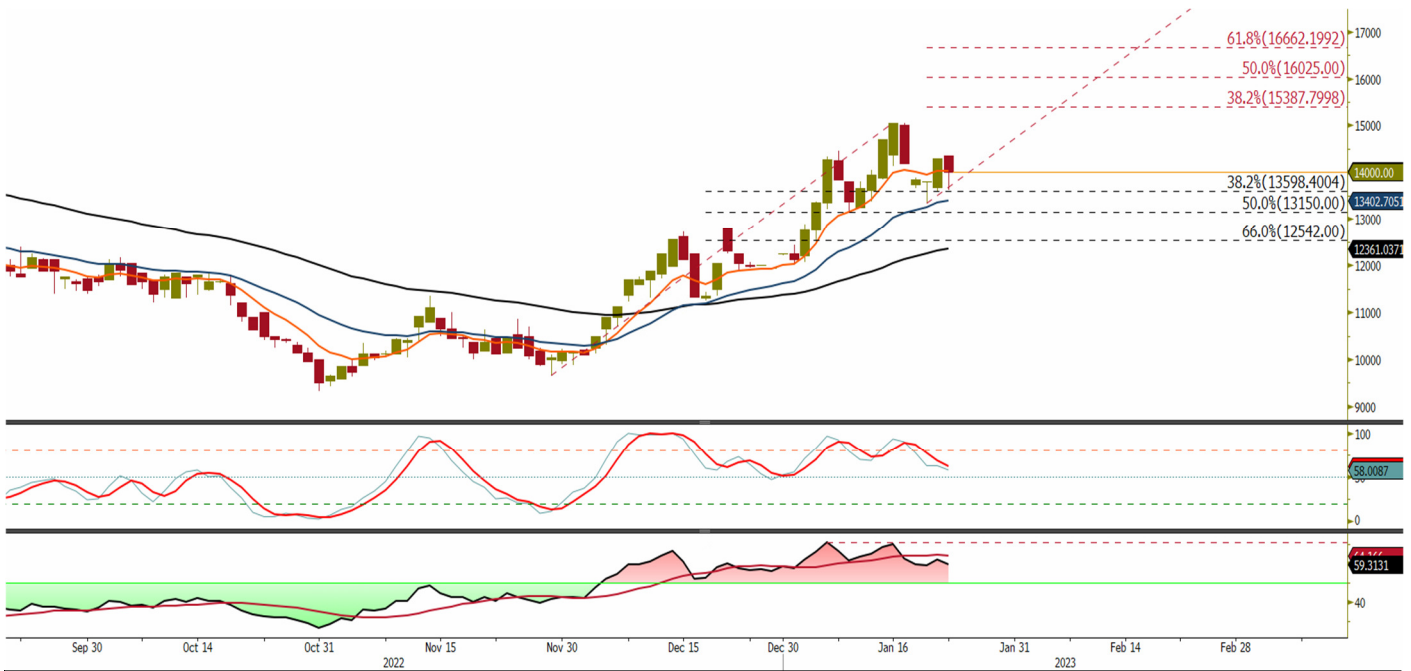
Synopsis - Intraday

- Price is below the 8-21 period EMA
- RSI is below 50 (46)
- Stochastic is oversold
- Technically bearish last week with key resistance unchanged at USD 9,696, only above USD 11,150 was the technical considered as bullish. However, we had a resistance zone form between USD 10,800 and USD 11,300 that needed to be broken for the futures to go on a sustained run. The USD 9,696 resistance has held with price moving below the USD 7,523 level, resulting in further technical weakness. The futures are below all key moving averages supported by 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 downside move below USD 7,523 has resulted in the futures trading to a new low. We now have a positive divergence in play, not a buy signal it does warn we have the potential to see a momentum slowdown, this will need to be monitored. The divergence would suggest that although the technical is bearish the futures are not considered a technical sell at this point.

Source Bloomberg



Capesize Q2 23 (Rolling front QTR)

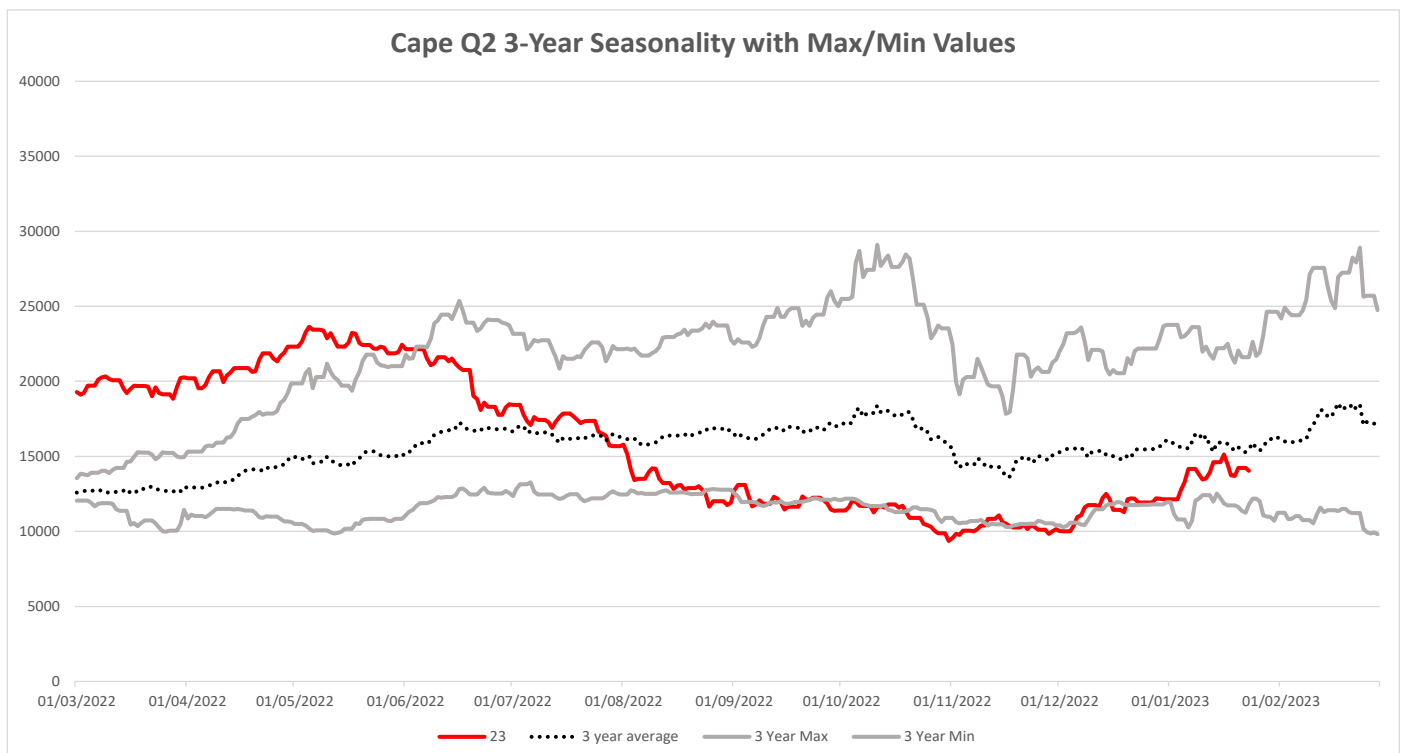


Support		Resistance		Current Price	Bull	Bear
S1	13,598	R1	15,387	14,000	RSI above 50	
S2	13,150	R2	16,025			
S3	12,542	R3	16,662			

Synopsis - Intraday

Source Bloomberg

- Price is between the 8-21 period EMA
- RSI is above 50 (59)
- Stochastic is above 50
- Technically bullish last week with the futures in divergence; however, intraday Elliott wave analysis suggested downside moves should be considered countertrend. The futures have entered a corrective phase resulting in price trading into the Fibonacci support zone. Price is between the 8-21 period EMA's with the RSI above 50.
- Downside moves that hold at or above USD 12,542 will support a bull argument, below this level technical will have a neutral bias. only below USD 11,250 is the technical bearish.
- Technically bullish, downside moves below USD 13,150 will indicate the futures are in a more complex corrective phase. Intraday Elliott wave analysis continues to suggest that downside moves should be considered as countered at this point, suggesting market sellers should remain cautious.



Capesize Cal 24



	Support	Resistance	Current Price	Bull	Bear
S1	15,029	R1	16,050	RSI above 50	Stochastic overbought
S2	14,737	R2	16,742		
S3	13,341	R3	17,187		

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is above 50 (61)
- Stochastic is overbought
- A cautious bull last week as the futures had a marginal divergence in play whilst testing the 200-period MA, a close above the average with a divergence failure would have supported further moves to the upside. The futures failed to trade above the longer-term average resulting in a corrective pullback; however, the downside move has held above the 8-period EMA with the RSI still above 50.
- Downside moves that hold at or above USD 14,341 will support a near-term bull argument, below this level the technical will have a neutral bias. Only below USD 13,500 is the technical bearish.
- We remain technically bullish with price holding between the short and long-term averages. Upside moves above USD 16,050 have the potential to still create a negative divergence, meaning we remain a cautious bull at this point. Seasonality remains bullish as does the Elliott wave counts in the Q2 and Q3 contracts; however, the wave count in the Cal is a little unclear but based on the quarters it should in theory be bullish as well.

