



# Capesize Technical Report

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## Index

Technically bullish having broken fractal resistance last week, the RSI remains below 50 with the stochastic in overbought territory. Providing the RSI can hold below 50 then momentum will be vulnerable to a test to the downside. However, the MA on the RSI is turning higher, implying momentum is supporting the upside price action. This would imply that support levels should hold if tested (in theory), making USD 2,280 the key support to follow. Market buyers will now want to see the RSI move above 50.

## March 22

Technically bearish last week, downside moves below USD 15,250 (USD 150 lower than last weeks price) had the potential to create a positive divergence with the RSI, not a buy signal it warned we could see a momentum slowdown. The futures held support and traded above the USD 6,500 level, resulting in the futures trading to a new high, the technical is now bullish. Intraday momentum indicators and the Elliott wave cycle would suggest that downside moves should be considered as countertrend at this point, making USD 6,556 the key support to follow.

## Q2 23

The futures were bullish but in a corrective phase last week whilst momentum indicators remained weak on the daily technical; however, intraday momentum warned that the futures were divergence with the RSI, leaving momentum conflicting. The futures moved above the USD 13,050 level resulting in the fractal high being broke; price is now in divergence with the RSI, not a sell signal it does warn that we have the potential to see a momentum slowdown and will need to be monitored. Technically bullish with the intraday Elliott wave cycle suggesting downside moves should be considered as counter trend at this point, making USD 13,227 the key support to follow.

## Cal 24

Technically bullish but in a corrective phase last week the futures had started to consolidate with the RSI neutral at 50. Momentum indicators warned that the futures were vulnerable to a test to the upside whilst above USD 15,450 warned the USD 16,100 fractal high could be vulnerable. The futures did move higher with price trading above the USD 15,450 resistance; however, we failed to produce a new high close with price still below the 200-period MA. The technical is bullish, but until we see a close above that holds above the USD 15,450 level there will be a vulnerability to the technical.

# Capesize Index

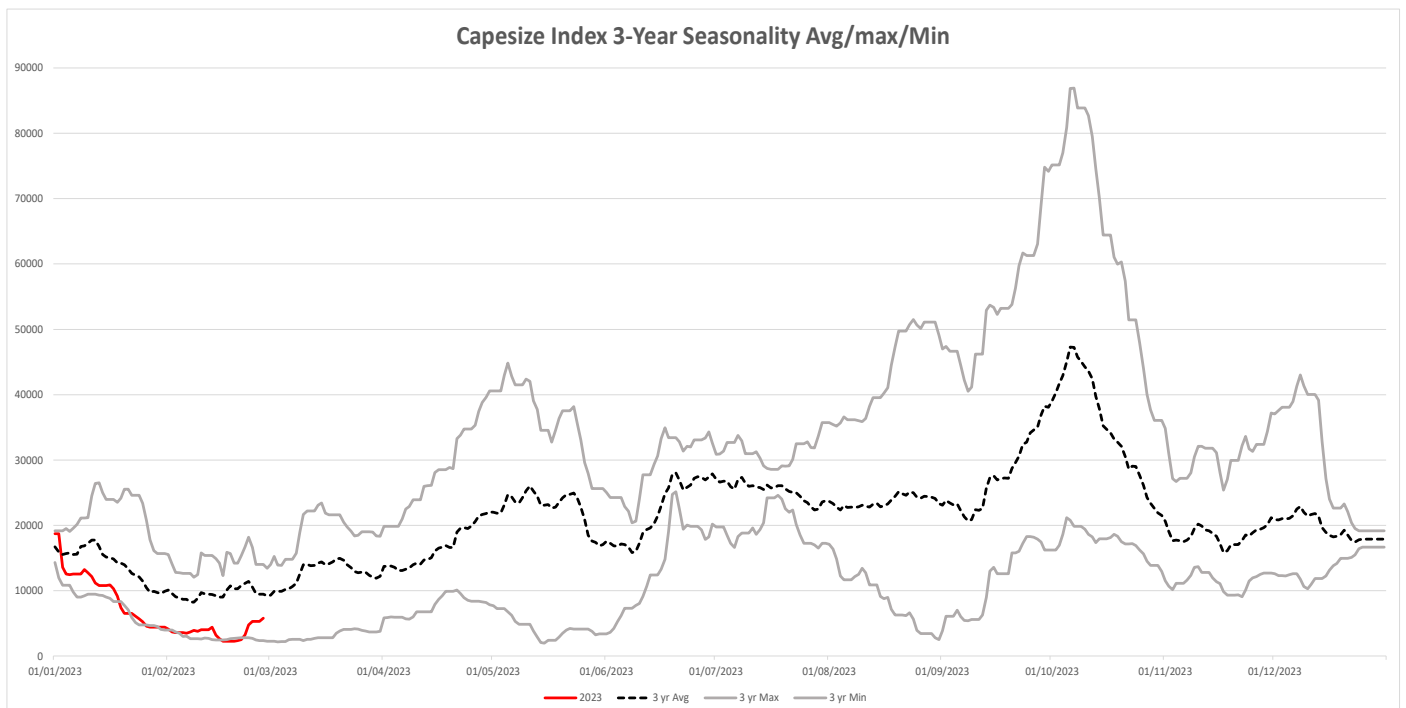


Support	Resistance	Current Price	Bull	Bear
S1	R1	5,815		RSI below 50
S2	R2			
S3	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is below 50 (47)
- Stochastic is overbought
- Technically bearish last week with the RSI currently holding support. Key near-term resistance was at USD 3,688; however, market buyers would want to see price above the USD 4,432 level for confirmation that the technical has turned bullish. The index has moved higher with price above the USD 4,432 fractal resistance, the technical is now bullish. Price is above the 8-21 period EMA's with the RSI below 50.
- Momentum based on price is now aligned to the buy side, a close below USD 3,959 will mean it is aligned to the sell side. Downside moves that hold at or above USD 2,280 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the RSI is below 50 with the stochastic in overbought territory, providing the RSI can hold below 50, then momentum will be vulnerable to a test to the downside. However, the MA on the RSI is turning higher, suggesting momentum is turning to the buy side, supporting the upside price action. This would indicate that support levels should in theory hold if tested in the near-term; market buyers will now want to see the RSI move above 50.



# Capesize March 23 (1 Month forward)

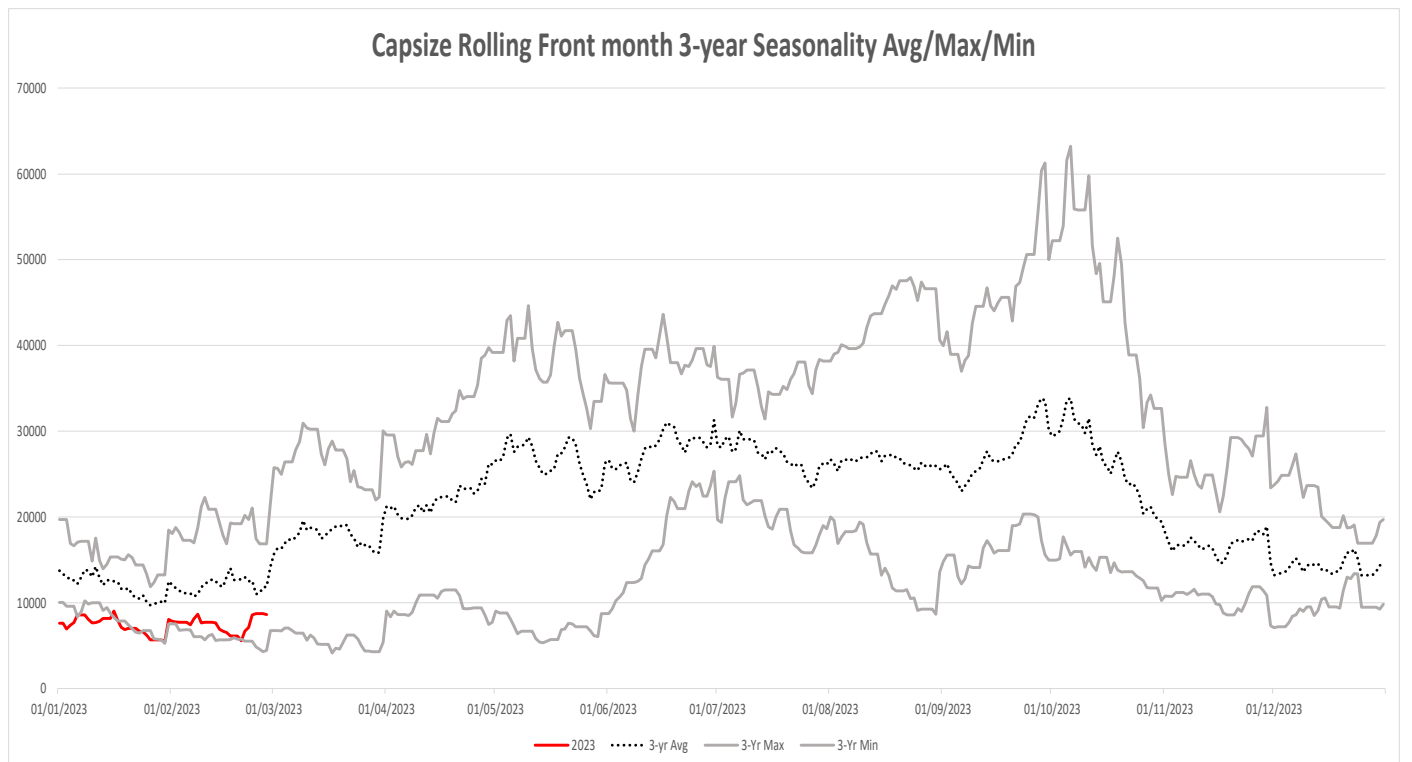


Support	Resistance	Current Price	Bull	Bear
S1	R1	8,625	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

## Synopsis - Intraday

- Price is above the 8-21 period EMA
- RSI is above 50 (53)
- Stochastic is overbought
- Technically bearish last week, downside moves below USD 5,250 would create a positive divergence with the RSI, not a buy signal it warned that we have the potential to see a momentum slowdown on a new low. Upside moves above USD 6,500 would warn that momentum based on price is starting to strengthen, implying the USD 7,611 resistance could be tested and broken. The futures failed to make a new low (potentially due to the divergence ahead) with price trading above the USD 6,500 level, resulting in the futures trading above the USD 8,750 fractal resistance, the technical is now bullish. Price is above all key moving averages with the RSI above 50.
- Downside moves that hold at or above USD 6,556 will support a bull argument, below this level the technical will have a neutral bias. Only below USD 5,400 is the technical bearish.
- Technically bullish, intraday momentum indicators and the Elliott wave cycle would suggest that downside moves should be considered as countertrend at this point, making USD 6,556 the key support to follow.

Source Bloomberg



# Capesize Q2 23 (Rolling front QTR)



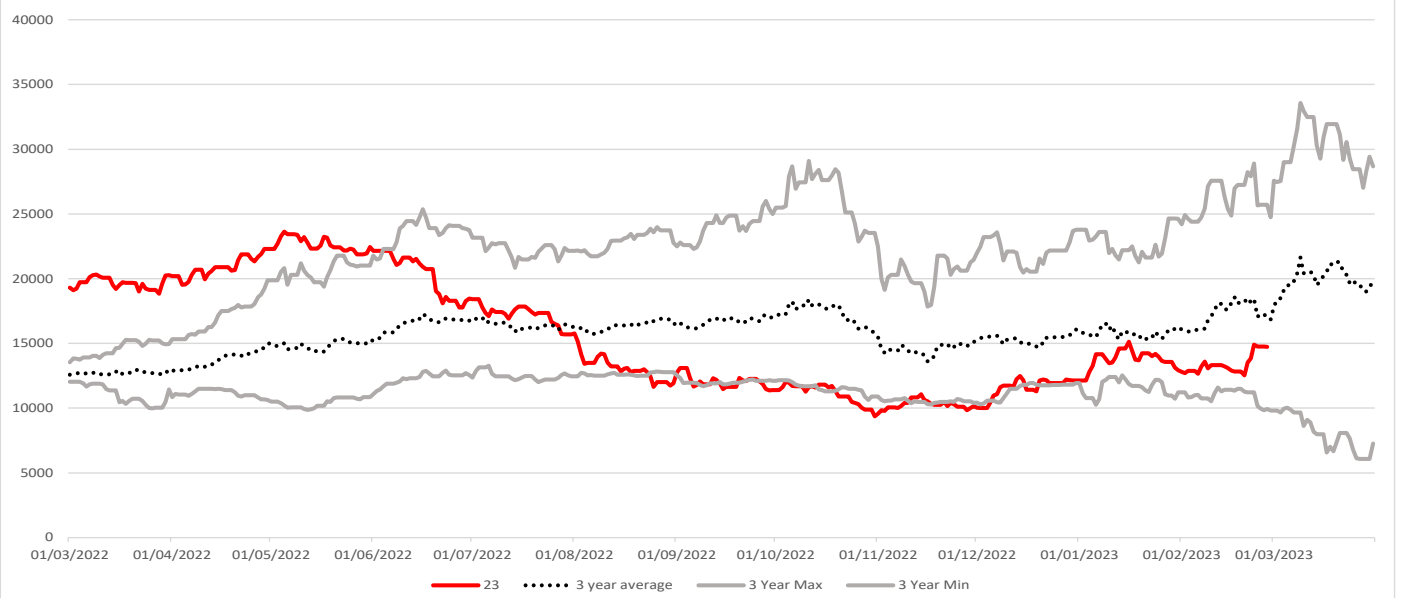
Support		Resistance		Current Price	Bull	Bear
S1	14,005	R1	15,137	14,850	RSI above 50	Stochastic overbought
S2	13,675	R2	15,813			
S3	13,227	R3	16,774			

## Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is above 50 (62)
- Stochastic is overbought
- The futures remained in a corrective phase last week with the RSI rejecting its moving average, warning momentum remained weak; however, momentum on the intraday technical was conflicting, as it was in divergence, not a buy signal it warned that we had the potential to see a momentum slowdown, making USD 13,238 the key resistance to follow. Upside moves above USD 13,050 would imply that momentum based on price was improving, whilst above USD 13,725 the futures would be above the fractal resistance, meaning market buyers will look to test the USD 14,350 and USD 15,050 resistance levels. The intraday divergence did signal that momentum was slowing, whilst the upside move above USD 13,050 resulted in the futures trading above the USD 15,050 fractal resistance. Price is above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 13,227 will support a bull argument, below this level the technical will have a neutral bias. Only below USD 12,275 is the technical bearish.
- The new high means the RSI is now in divergence with price, not a sell signal it does warn we have the potential to see a momentum slowdown and will need to be monitored. However, intraday Elliott wave analysis would suggest that downside moves have the potential to be countertrend, making USD 13,227 the key support to follow.

## Cape Q2 3-Year Seasonality with Max/Min Values



# Capesize Cal 24



	Support	Resistance	Current Price	Bull	Bear
S1	14,650	R1	15,607	RSI above 50	Stochastic overbought
S2	14,384	R2	15,789		
S3	14,056	R3	16,100		

## Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is at 50 (53)
- Stochastic is overbought
- The futures had started to consolidate last week with the RSI neutral at 50 whilst the EMA's were flat, indicating a lack of trend in the market. The technical was bullish but in a corrective phase with price holding above key support. The MA on the RSI was starting to flatten, suggesting that sell side momentum was slowing down, meanwhile the stochastic was oversold; the RSI/MA combination continued to suggest the futures are vulnerable to a test to the upside, providing the RSI held above 50. Upside moves above USD 15,450 will warn that the USD 16,100 fractal resistance is vulnerable. Support held resulting in the futures moving above the USD 15,450 resistance. Price is above the 8-21 period EMA's supported by the RSI above 50.
- Downside moves that hold at or above USD 14,384 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 (Unchanged).
- The upside move above USD 15,450 is warning that the USD 16,100 fractal resistance is vulnerable. However, the futures have failed to produce a new high close with price rejecting the 200-period MA at USD 15,342. The technical is bullish, but market buyers will want to see a close above that holds above USD 15,450, until we do there is some vulnerability to the downside left in the technical.

