



# Capesize Technical Report

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

## Index

Technically bullish last week with the MA on the RSI suggesting momentum remained supported. We have seen a small pullback, with price testing the 8-period EMA whilst the seasonality is warning we are vulnerable to a short-term pullback. The RSI is holding above its MA; however, the average is softening a little, warning buyside momentum although bullish is not as supported as last week. We are bullish, but there are some warning signs that we could correct a little from here.

## April 23

The futures looked to have completed this phase of the Elliott wave cycle, suggesting we are now in a corrective phase. Below USD 15,475 will mean the technical is bearish based on price; however, this move lower looks to be a countertrend wave 4 on a higher timeframe Elliott wave cycle. This would suggest that the USD 16,875 support is vulnerable in the near-term, but the longer-term technical will still be considered as bullish above USD 10,746 and neutral below.

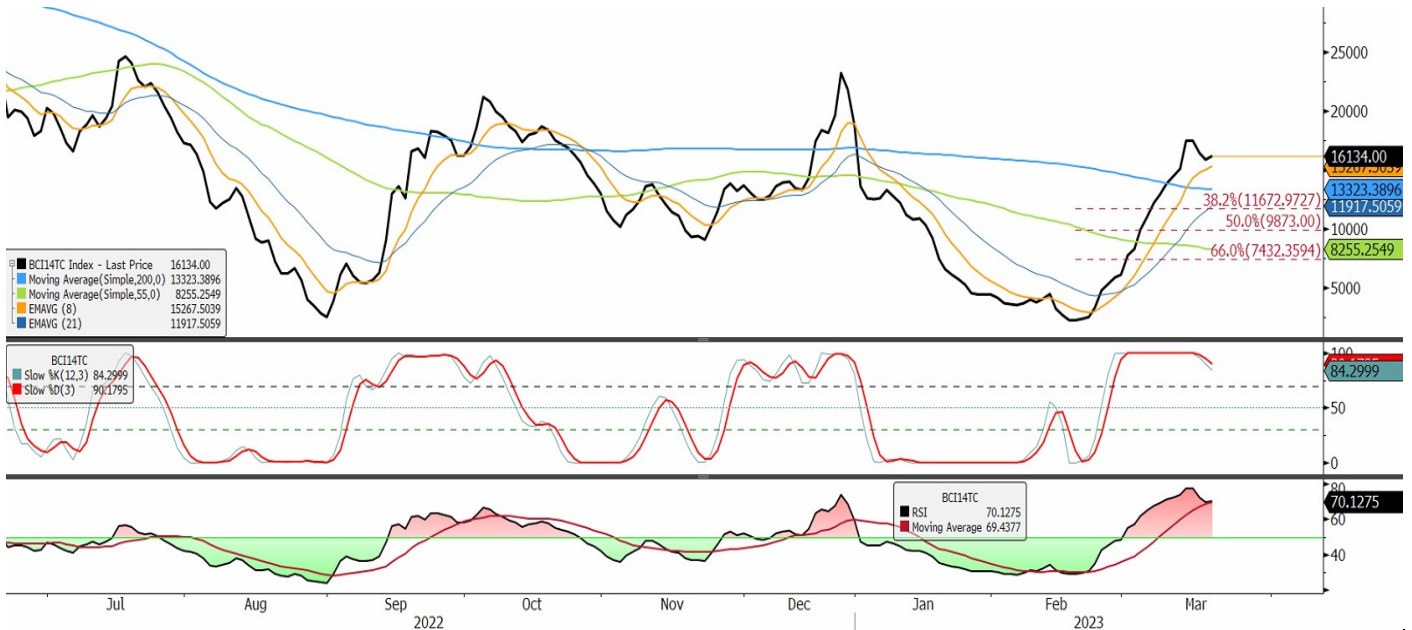
## Q2 23

Like the rolling front month contract the futures look to be in a countertrend wave 4 on a higher timeframe. This would suggest that the USD 18,375 support is now vulnerable, if broken we could look to test the Fibonacci support zone. However, the wave cycle would suggest that the longer-term cycle remains bullish above USD 15,496 and neutral below, making this the key level to follow on the technical.

## Cal 24

The technical is bullish but in a corrective phase with key support to follow at USD 15,423, if broken the USD 14,650 fractal low has the potential to come under pressure. The wave cycle here is different to the others as it looks to have potentially completed. Seasonality would suggest that this move to the downside is countertrend, if we hold above our key support and move higher, then it would indicate we are looking at an Elliott 5th wave extension, which would be in line with the other cycles. If we don't then we could be in for a more sustained corrective phase.

# Capesize Index

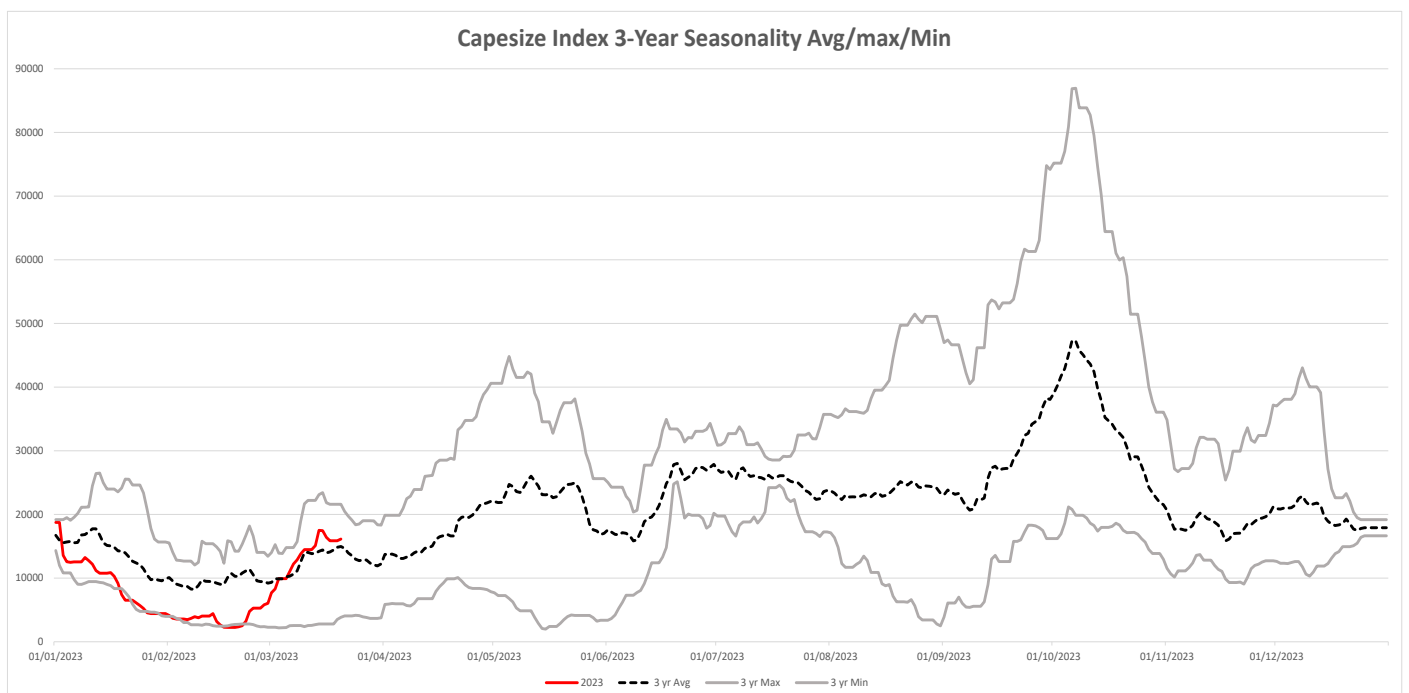


Support	Resistance	Current Price	Bull	Bear
S1	R1	16,134	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

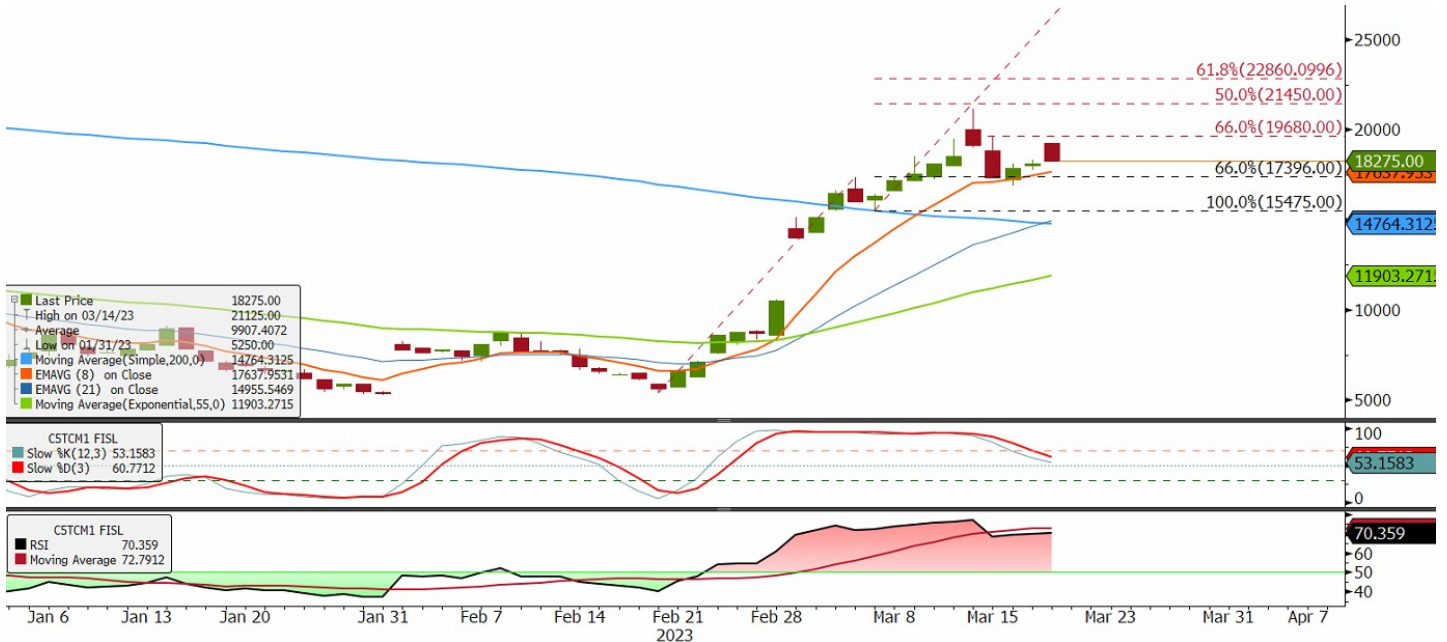
## Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (70)
- Stochastic is overbought
- Technically bullish last week, the MA on the RSI continued to suggest that momentum was supported, implying support levels should hold in the near-term if tested. Having traded to a high of USD 17,500 we have seen a small pullback with price currently holding above the 8-period EMA with the RSI remaining above 50.
- Momentum based on price is now aligned to the sell side, a close above USD 16,510 will mean it is aligned to the buyside. Downside moves that hold at or above USD 7,432 will support a bull argument, below this level the technical will have a neutral bias.
- We remain technically bullish with the RSI testing its MA support, this is starting to soften a little, implying buyside momentum is slowing a little. Seasonality is also starting to weaken with price holding below the USD 18,200 level. We highlight this level as it is one of the most heavily traded areas in the last 12 months, making it an area of resistance. Upside moves that trade above and close above this level will further support a bull argument. Bullish there are some small exhaustion signs creeping into the technical.



# Capesize April 23 (1 Month forward)

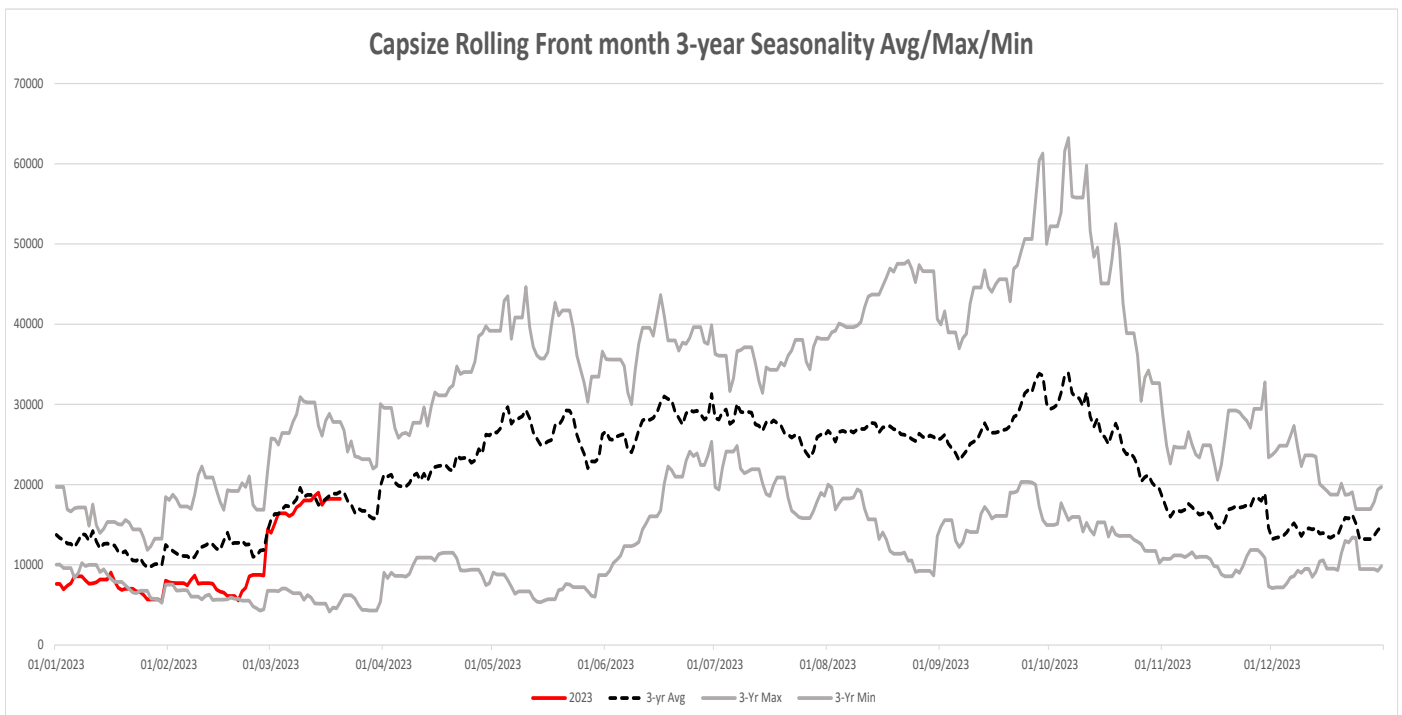


Support	Resistance	Current Price	Bull	Bear
S1	R1	18,275	RSI above 50	
S2	R2			
S3	R3			

## Synopsis - Intraday

- Price is above the 8-21 period EMA
- RSI is above 50 (70)
- Stochastic is above 50
- Technically bullish last week the futures looked to be on an intraday Elliott wave with a potential upside target at USD 22,860. However, we noted that the intraday RSI was in divergence, not a sell signal it warned that we had the potential to see a momentum slowdown. The futures traded to a high of USD 21,125 before entering a corrective phase. Price is above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 10,746 will support a bull argument, below this level the technical will have a neutral bias.
- The futures look to have completed the bullish intraday Elliott wave cycle, suggesting we are now in a corrective phase. Downside moves below USD 15,475 will mean the technical is bearish based on price. However, this move lower looks to be part of a larger Elliott wave cycle, implying this downside move is a countertrend Elliott wave 4 on a higher timeframe (the lower intraday cycle is on a 53 min candle and the higher on a 255 min candle). This would suggest that the USD 16,875 support is vulnerable in the near-term, but the longer-term technical will still be considered as bullish above USD 10,746.

Source Bloomberg



# Capesize Q2 23 (Rolling front QTR)

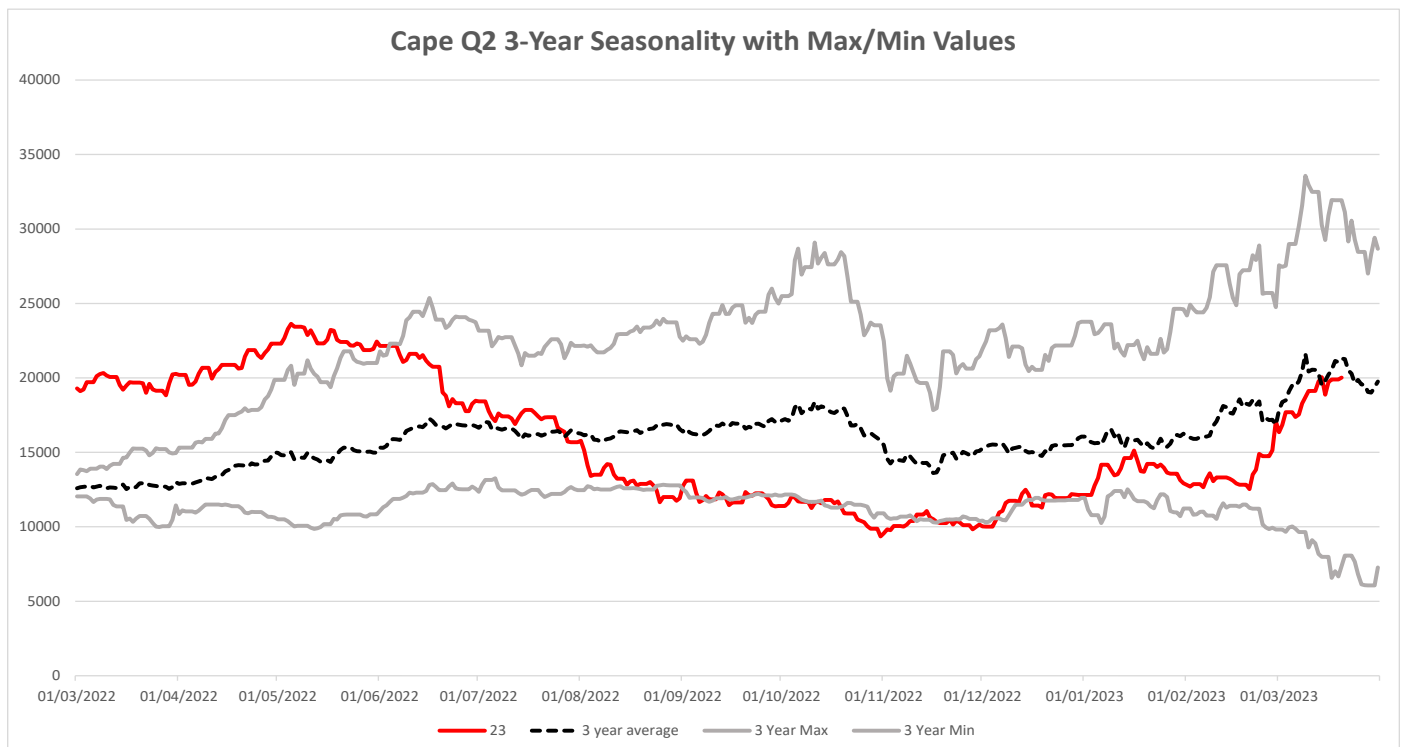


Support		Resistance		Current Price	Bull	Bear
S1	18,130	R1	18,516	19,550	RSI above 50	
S2	17,012	R2	17,898			
S3	15,496	R3	16,850			

## Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is above 50 (70)
- Stochastic is above 50
- Technically bullish last week with a potential upside target at USD 20,619 for this phase of the cycle. We noted that there was possibly another larger Elliott wave cycle in play, suggesting caution on downside moves. The futures traded to a high of USD 21,750 before entering a corrective phase. Price is above the 8-21 period EMA's with the RSI above 50.
- Downside moves that hold at or above USD 15,496 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish but in a corrective phase, the futures look to be in a higher timeframe countertrend corrective wave 4. The USD 18,375 support now looks vulnerable, if broken it will warn that Fibonacci support levels could be tested and broken. Key support to follow is at USD 15,496. Seasonality would also suggest that support levels could be vulnerable in the near-term.



# Capesize Cal 24



	Support	Resistance	Current Price	Bull	Bear
S1	15,787	R1	16,925	RSI above 50	
S2	15,423	R2	17,060		
S3	15,136	R3	17,715		

Source Bloomberg

## Synopsis - Intraday

- Price is between the 8-21 period EMA
- RSI is above 50 (55)
- Stochastic is below 50
- Technically bullish last week with an upside target at USD 17,060, the futures were in divergence with the RSI, not a sell signal it warned we had the potential to see a momentum slowdown and needed to be monitored. We traded to a high of USD 16,925 before entering a corrective phase.
- Downside moves that hold at or above USD 15,423 will support a bull argument, below this level the technical will have a neutral bias. Only below USD 14,650 is the technical bearish.
- Technically bullish but in a corrective phase, the downside move here is warning that support levels are vulnerable, making USD 15,423 the key support to follow, if broken the USD 14,650 support has the potential to come under pressure. The intraday Elliott wave cycle here is difficult to read, as it looks to have completed, differing from the front-end cycles. If we hold key support and move higher, then it will warn of a 5th wave extension, this would be in line with the rolling front contract and the Q2. If support is broken we could see a more sustained corrective phase. Seasonality supports a wave extension.

