



Capesize Technical Report

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Index

Warning signs last week that the upside move could be exhausting has resulted in the index moving lower. We remain technically bullish but in a corrective phase, the MA on the RSI is now flat, implying buy-side momentum is now neutral. However, the RSI has recently traded to new highs, suggesting downside moves have the potential to be countertrend, making USD 7,432 the key longer-term support to follow at this point.

April 23

We noted last week that the futures looked to have completed a bullish intraday Elliott wave cycle; however, there looked to be a larger bullish cycle in play, suggesting downside moves should be considered as countertrend. The technical is currently bullish with a neutral bias with the futures continuing to test downside support levels, below USD 16,625 the correction will be considered to be complex, warning that the USD 15,475 support is vulnerable. However, key support on the longer-term Elliott wave cycle remains unchanged at USD 10,746, the cycle is bullish above this level and neutral below. The RSI has rejected its MA suggesting buy-side momentum is weak; however, price is making a new low whilst the RSI is not, this is known as a bullish hidden divergence and warns that sell-side momentum has the potential to slowdown, leaving us a little cautious on this downside move. Upside moves above USD 19,550 will leave the USD 21,125 resistance vulnerable.

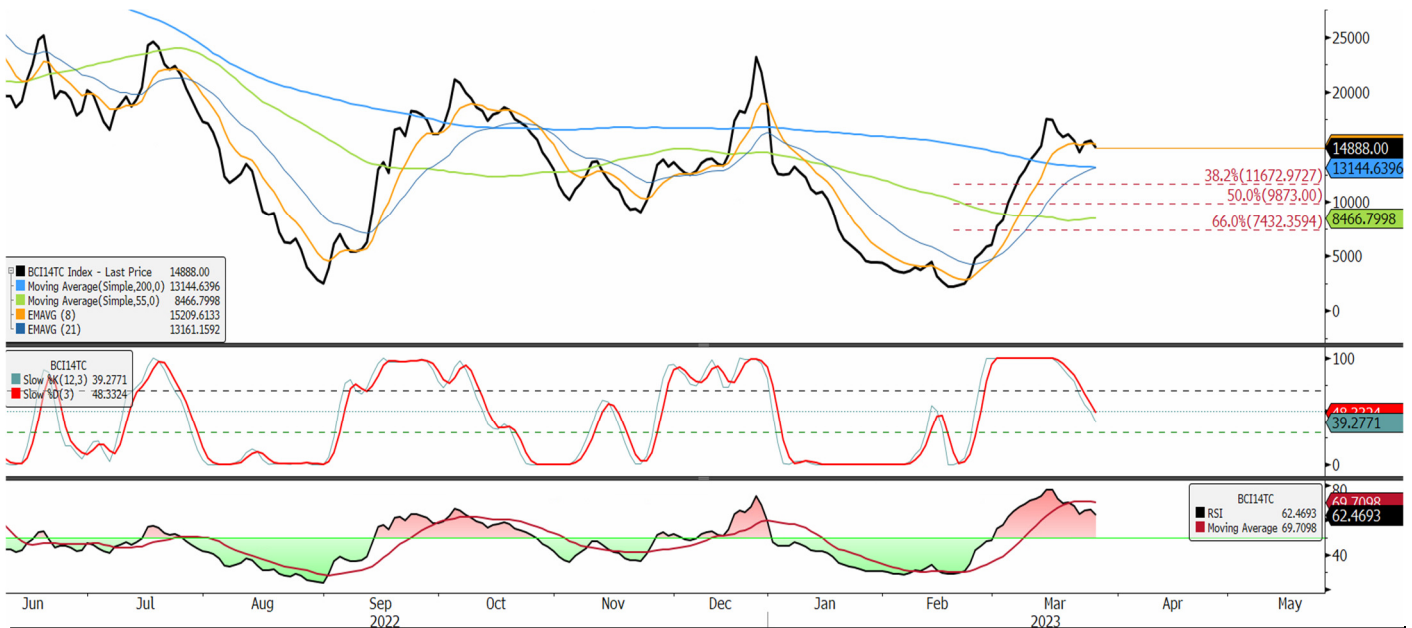
Q3 23

The technical is bullish but price is moving lower on the back of a negative divergence, leaving us a cautious bull at this point. Key support is at USD 22,307, if we hold above this level then we have the potential to test the recent high at USD 23,875. Downside moves below USD 21,500 would suggest we are potentially entering a higher timeframe Elliott wave 4, if the cycle analysis is correct then this move would be considered to be countertrend.

Cal 24

The technical is bullish with price back trading at USD 16,000 having failed to hold the recent upside move, suggesting support levels remain vulnerable. Like last week, the intraday Elliott wave cycle looks like it may have completed, making USD 15,423 the key support to follow, if it holds then we are potentially looking at a 5th wave extension, which would be in line with the 3-year seasonality average. A cautious bull due to the intraday Elliott wave cycle.

Capesize Index

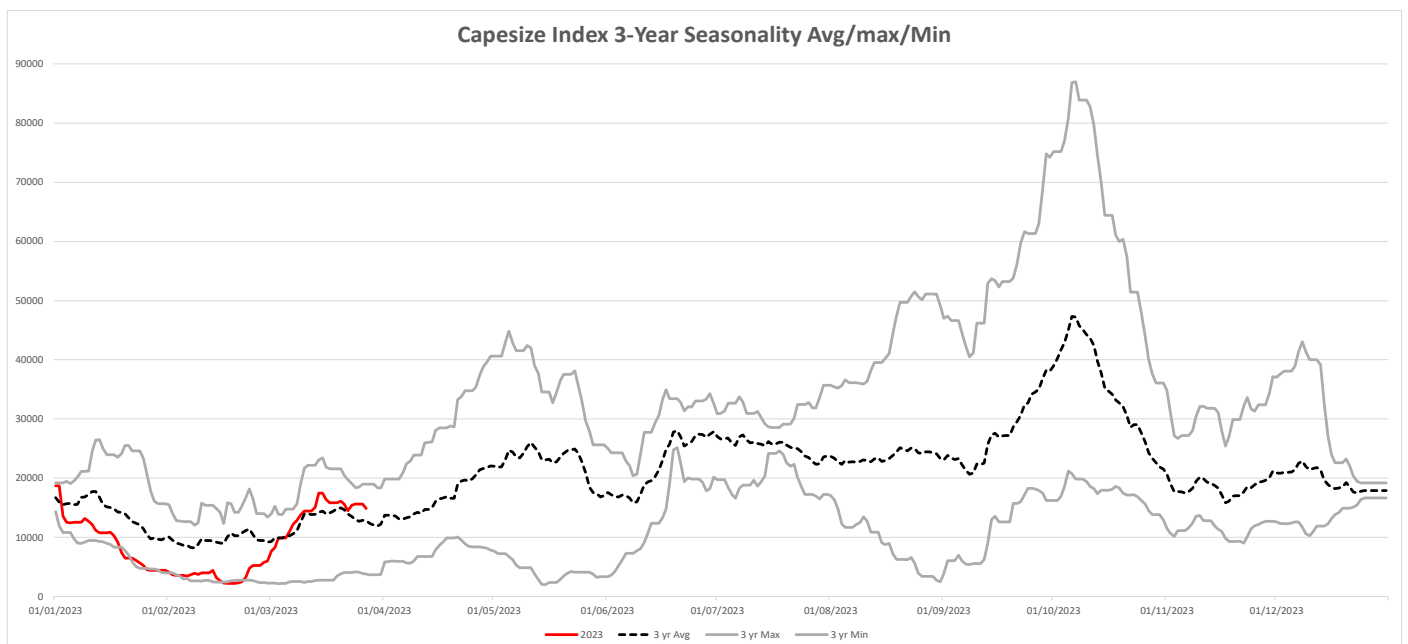


	Support	Resistance	Current Price	Bull	Bear
S1	11,672	R1	17,500	RSI above 50	
S2	9,873	R2	18,200		
S3	7,432	R3	21,175		

Synopsis - Intraday

Source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is above 50 (62)
- Stochastic is below 50
- We remained technically bullish with the RSI testing its MA support last week; however, this was starting to soften a little, implying buyside momentum was slowing a little. Seasonality was also starting to weaken whilst price was holding below the USD 18,200 level. We highlighted 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 USD 18,200 would further support a bull argument. Bullish there were some small exhaustion signs creeping into the technical. The index has started to move lower with price between the 8-21 period EMA's whilst the RSI remains above 50.
- Momentum based on price is now aligned to the sell side, a close above USD 15,273 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.
- The index is now in a corrective phase with the MA on the RSI now flat, warning buyside momentum is now neutral. However, the RSI has recently traded to new highs, suggesting downside moves have the potential to be countertrend, making USD 7,432 the key longer-term support at this point.



Capesize April 23 (1 Month forward)

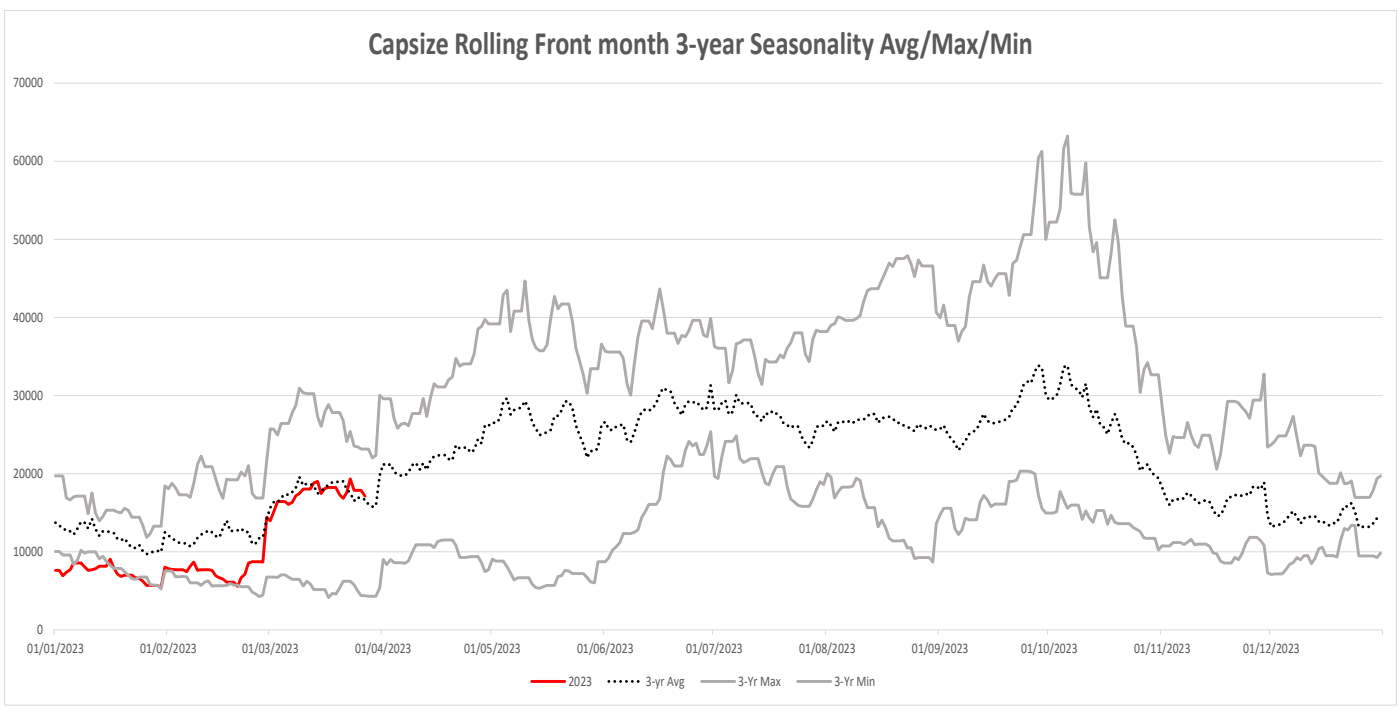


	Support	Resistance	Current Price	Bull	Bear
S1	16,225	R1	17,150	RSI above 50	
S2	15,118	R2			
S3	13,262	R3			

Synopsis - Intraday

- Price is between the 8-21 period EMA
- RSI is above 50 (60)
- Stochastic is below 50
- The futures looked to have completed a bullish intraday Elliott wave cycle last week with price entering a corrective phase; however, the move lower looked to be part of a larger Elliott wave cycle, implying downside moves should be considered as countertrend. This suggested that the USD 16,875 support was vulnerable in the near-term, but the longer-term technical would still be considered as bullish above USD 10,746. The futures did trade below the USD 16,875 level to a low of USD 16,625, the recent upside moves has failed to hold resulting in price moving lower over the last two session. The futures are between the 8-21 period EMA's with the RSI still above 50.
- Downside moves that hold at or above USD 10,746 will support a longer term bull argument on the Elliott wave cycle, below this level the technical will have a neutral bias. Below USD 15,475 is the technical bearish based on price.
- The technical is bullish but with a neutral bias at this point, with price continuing to test downside support levels. Below USD 16,625 the correction will be considered as complex, warning that the USD 15,475 fractal support is vulnerable; however, key support on the longer-term wave cycle remains unchanged at USD 10,746. The RSI has rejected its MA, suggesting buy-side momentum is weak at this point; however, price is making a new low whilst the RSI is not, warning sell side momentum has the potential to slowdown, suggesting caution. Upside moves above USD 19,550 will leave the USD 21,125 resistance vulnerable.

Source Bloomberg



Capesize Q3 23 (Rolling front QTR)

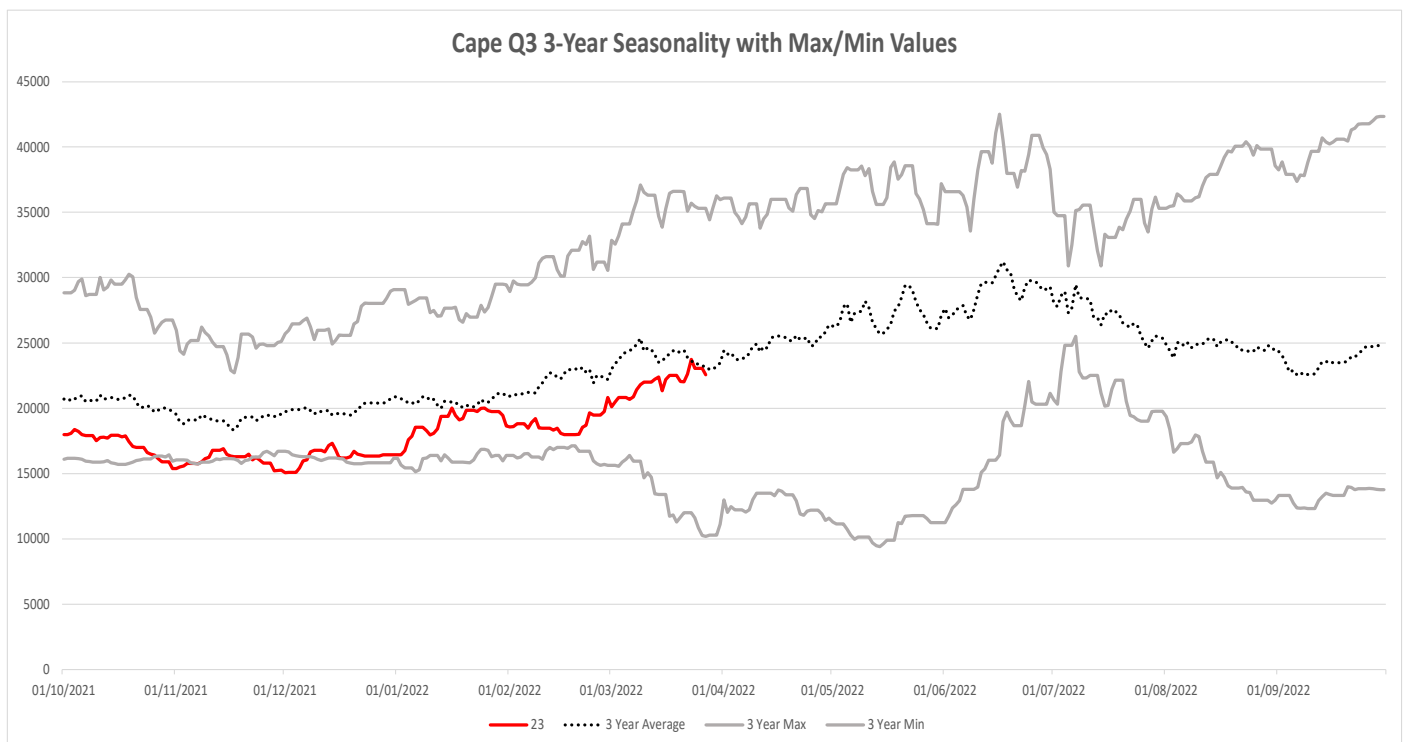


	Support	Resistance	Current Price	Bull	Bear
S1	22,307	R1	23,878	RSI above 50	Stochastic overbought
S2	22,008	R2	24,613		
S3	21,500	R3	25,550		

Synopsis - Intraday

Source Bloomberg

- Price is between the 8-21 period EMA
- RSI is above 50 (65)
- Stochastic is overbought
- Having traded to a high of USD 23,857 the Q3 futures have entered a corrective phase on the back of a negative divergence. Price is now trading just below the 8-period EMA with the RSI continuing to hold above 50.
- Downside moves that hold at or above USD 22,307 will support a bull argument, below this level the technical will have a neutral bias. Only below USD 21,500 is the technical bearish.
- Technically bullish but in a corrective phase, with price remaining above key support at USD 22,307, if we hold above this level then we could test the USD 23,875 fractal high. Downside moves below USD 21,500 would suggest we are potentially entering a countertrend Elliott wave 4 on a higher timeframe. We are a cautious bull at this point as the pullback is on the back of a negative divergence, making USD 22,307 the key level to follow.



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 but in a corrective phase last week, we had some questions regarding the intraday Elliott wave cycle as it looked like it may have completed, differing from the front end cycles. Key support was at USD 15,423, if it held it would warn that we could potentially see a 5th wave extension, which would be in line with the seasonality chart. If support was broken it warned we could potentially see a more sustained corrective phase. Mixed price action in the last week as the futures have moved higher and lower, with price back trading at USD 16,000. The futures are trading between the 8-21 period EMA's with the RSI above 50.
- 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 (unchanged).
- We remain technically bullish but in a corrective phase with support levels still vulnerable, making USD 15,423 the key level to follow. The intraday Elliott wave cycle continues to look like it may have completed; however, like last week, if we hold key support and move higher, then it will warn of a 5th wave extension, which would be in line with the 3-year average seasonality chart. A cautious bull due to the intraday Elliott wave cycle.

