



# Capesize Technical Report

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## Index

We remain in a corrective phase with price starting to base above the 21-period EMA/200-period MA. The MA on the RSI would suggest buy-side momentum is still weak; however, the RSI is holding above 50 with the stochastic in oversold territory, so the same momentum indicators are now warning we could be vulnerable to a test to the upside. With seasonality turning bullish having previously noted that this downside move could be countertrend, the technical would suggest that resistance levels could now be vulnerable.

## May 23

The roll in the futures has resulted in the futures trading to a new high, meaning we have now confirmed a bullish impulse Elliott wave 5. This means that the futures are now in divergence with the RSI, the minimum requirement for phase/cycle completion now been achieved. However, using the William's approach we have a potential upside target at USD 26,035.

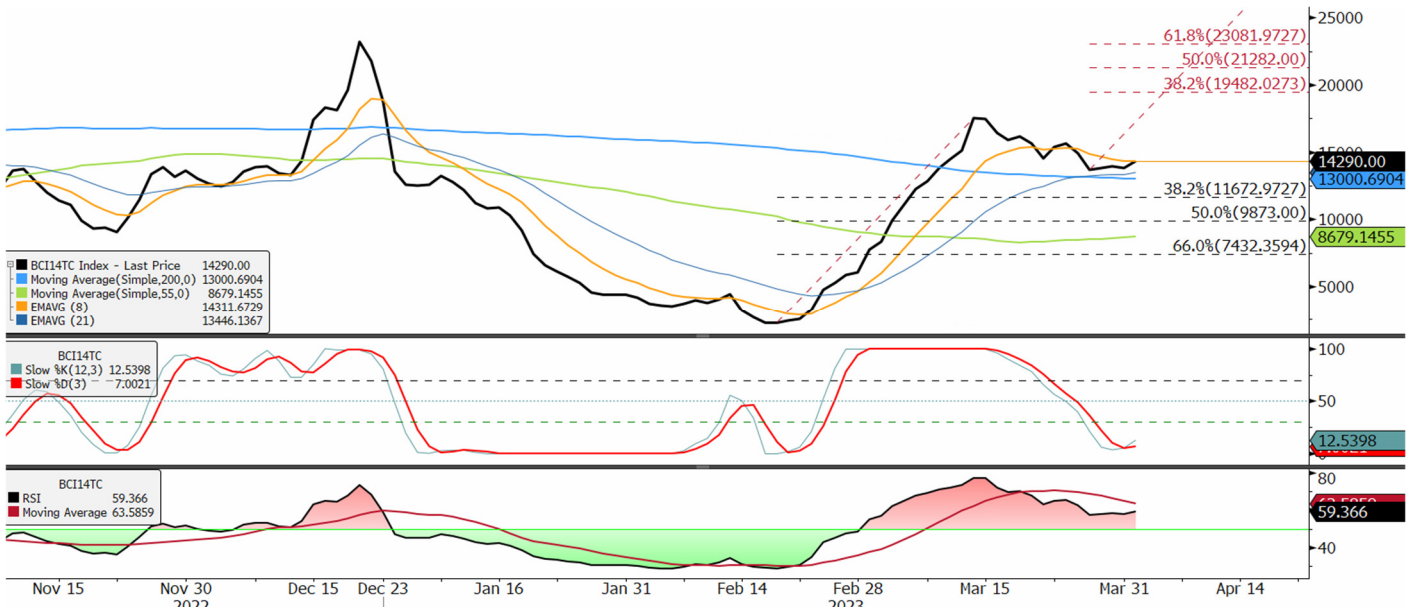
## Q3 23

A cautious bull last week as the futures were in divergence with the RSI, warning we could potentially enter a higher timeframe countertrend Elliott wave 4. The futures breached the USD 22,307 support but held above the USD 21,500 level, resulting in price moving higher. Technically we remain a cautious bull as the futures are still in divergence, in what looks to be some form of Elliott wave extension. On the longer-term technical we maintain our view that downside moves should still be considered as countertrend.

## Cal 24

Technically unchanged from last week, the futures have held above key support levels resulting in price moving higher. The upside move above USD 16,475 is warning we are seeing some form of wave extension, suggesting resistance levels are starting to look vulnerable.

# Capesize Index

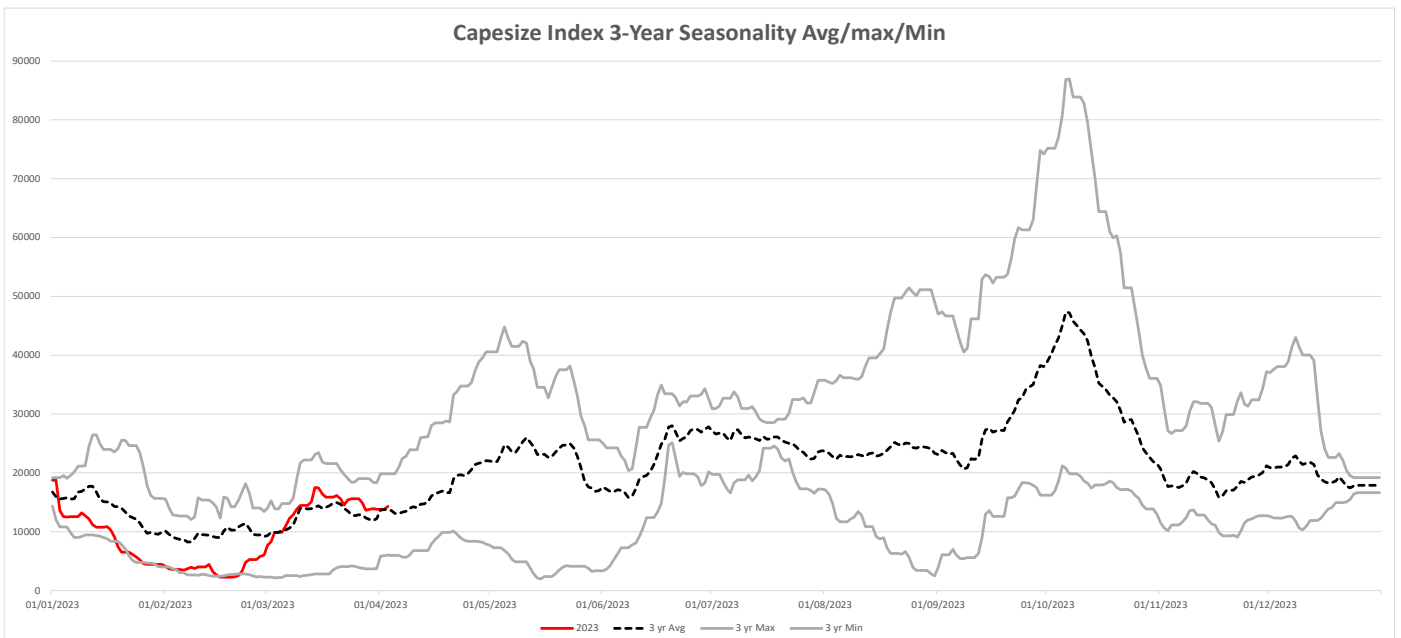


	Support	Resistance	Current Price	Bull	Bear
S1	11,672	R1	17,550	RSI above 50	
S2	9,873	R2	14,290		
S3	7,432	R3	21,282		

## Synopsis - Intraday

Source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is above 50 (59)
- Stochastic is oversold
- Technically bullish but in a corrective phase last week, the MA on the RSI had flattened indicating buyside momentum was neutral; however, the RSI had recently made a new high, suggesting the corrective move was potentially countertrend. The corrective move in the index has now started to base with price moving higher in the last two sessions.
- Momentum based on price is now aligned to the buyside, a close below USD 13,945 will mean it is aligned to the sell side. 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 remains in a corrective phase with price holding above the 21-period EMA and the 200 – period MA. The RSI continues to hold above 50 with the Stochastic in oversold territory, momentum is warning that the index is vulnerable to a test to the upside. Countering this is the weakening MA on the RSI, which implies buyside momentum is weak at this point. However, based on price holding key averages, the RSI/Stochastic combo, the pullback considered as countertrend, alongside seasonality turning bullish, the technical would suggest that resistance levels could now be vulnerable.



# Capesize May 23 (1 Month forward)

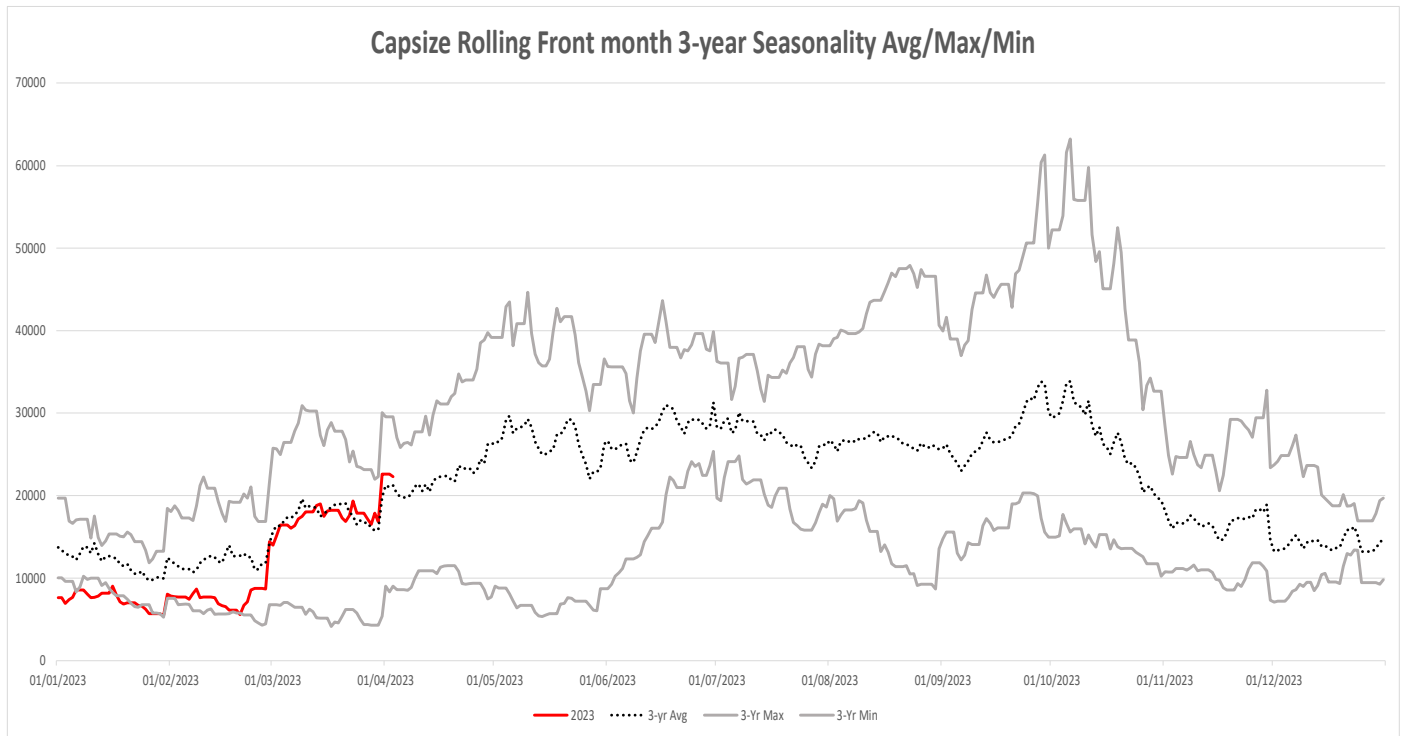


Support	Resistance	Current Price	Bull	Bear
S1	R1	22,350	RSI above 50	
S2	R2			
S3	R3			

### Synopsis - Intraday

- Price is above the 8-21 period EMA
- RSI is above 50 (68)
- Stochastic is below 50
- Buyside momentum was weak last week as the RSI had rejected its MA; however, there was a bullish hidden divergence in play with warning we could see a momentum slowdown, suggesting caution on downside moves. The futures held the USD 16,225 fractal support (there was a robust defence at USD 16,250) meaning we did not get a complex corrective phase. The roll into the May contract means we are now on a bullish impulse wave 5. Price is above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 18,401 will support a bull argument, below this level the technical will have a neutral bias. only below USD 16,225 is the technical bearish.
- Technically bullish, the new high means the futures are in divergence with the RSI, not a sell signal it is a warning that we have the potential to see a momentum slowdown. Elliott wave analysis, using the William's approach, suggests that we have a potential upside target at USD 26,035.

Source Bloomberg



# Capesize Q3 23 (Rolling front QTR)

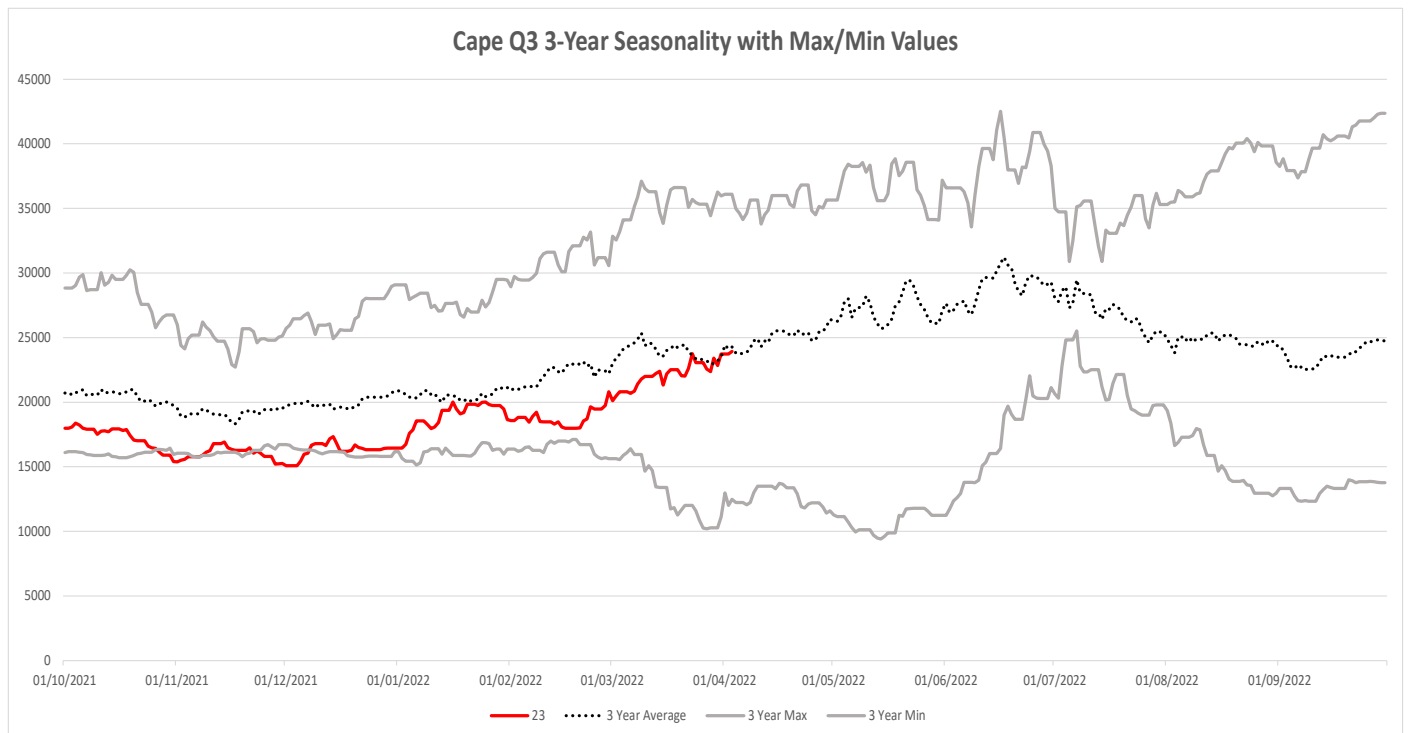


	Support	Resistance	Current Price	Bull	Bear
S1	23,364	R1	24,613	RSI above 50	Stochastic overbought
S2	22,806	R2	25,550		
S3	22,125	R3	26,731		

## Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is above 50 (63)
- Stochastic is overbought
- We were a cautious bull last week as the futures had the potential to enter a higher timeframe wave 4, as price was moving lower on the back of a negative divergence with the RSI. The futures did breach our key support at 22,307 with price trading to a low of USD 22,125; however, the downside move held above the USD 21,500 fractal support, resulting in the futures trading back to new highs. Price is above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 22,806 will support a bull argument, below this level the technical will have a neutral bias. Only below USD 22,125 is the technical bearish.
- We remain a cautious bull as the futures remain in divergence with the RSI, not a sell signal it is a warning that the futures are vulnerable to a higher timeframe countertrend wave 4 lower. At this point we are seeing some form of wave 3 extension: however, the intraday wave count is a little unclear at this point. Key support to follow is at USD 22,806.



# Capesize Cal 24



	Support	Resistance	Current Price	Bull	Bear
S1	15,787	R1	16,550	RSI above 50	
S2	15,423	R2			
S3	15,136	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is above 50 (58)
- Stochastic is above 50
- We were a cautious bull last week as the intraday Elliott wave cycle looked like it may have completed. However, if we held above the USD 15,423 support and moved higher it would warn we could be looking at a 5th wave extension, which would be in line with the seasonality charts. The futures held at the USD 15,875 fractal support for the 3rd time, resulting in price moving higher.
- 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).
- Technically unchanged, the futures have held above key support levels with price moving higher, meaning we remain a cautious bull at this point. The upside move above USD 16,475 is warning we could be looking at wave extension, suggesting resistance levels are starting to look vulnerable.

