



Capesize Technical Report

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Index

Momentum warned last week that we could see a test to the upside which has been the case, but the upside move has failed to make a new high with price entering a corrective phase. We remain technically bullish, the MA on the RSI continues to warn that buy-side momentum is weak; however, seasonality remains bullish with the RSI still above 50, warning we could still see another test to the upside. A close below USD 15,742 will warn that the USD 13,655 support could be vulnerable, if broken the Fibonacci support zone could come under pressure.

May 23

Technically bullish the futures are in a corrective phase with price holding above our key support at USD 18,528. The MA on the RSI is flat implying momentum is turning neutral, but seasonality is bullish. The futures have achieved the minimum requirement of phase/cycle completion (Elliott wave), with price moving lower on the back of a negative divergence with the RSI. Lower timeframe wave analysis is warning we could see another move higher, but the oscillators have been distorted making USD 18,528 the key level to follow, meaning we are now a cautious bull.

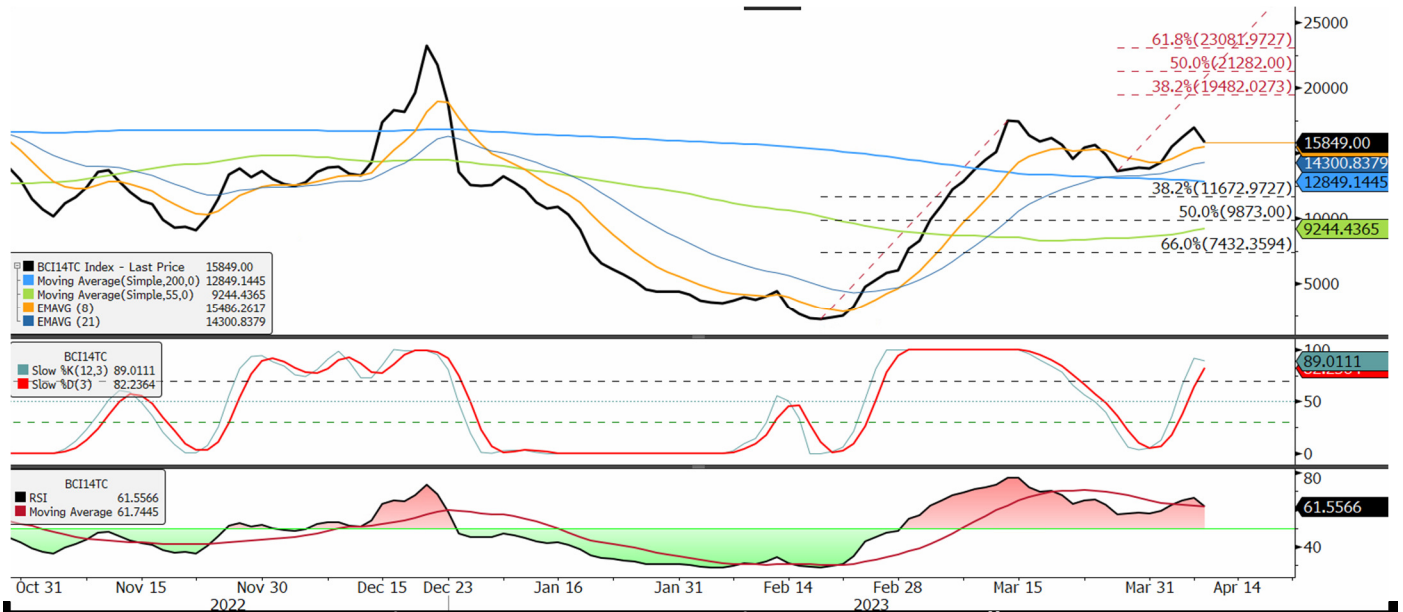
Q3 23

A cautious bull last week as the futures were in divergence with the RSI, warning we had the potential to see a momentum slowdown, leaving the futures vulnerable to a countertrend Elliott wave 4. The futures have entered a corrective phase, although still bullish we now have a neutral bias, meaning we could be in the early stages of a wave 4; however, confirmation will only come on a move below the USD 22,125 fractal support. We remain a cautious bull as support levels are starting to look vulnerable, if we do trade to a new high above USD 24,375 it will signal that we are seeing wave extension; however, a new high will create another negative divergence, suggesting caution on upside breakouts.

Cal 24

The move above USD 16,475 last week warned that we could be looking at an Elliott wave extension, implying resistance levels were vulnerable. We traded higher but failed to break the USD 16,925 fractal high, resulting in price entering a corrective phase. We remain a cautious bull as the upside failure is warning that support levels are vulnerable, downside moves below the USD 15,875 triple support level will imply that the USD 15,423 support could be tested and broken.

Capesize Index

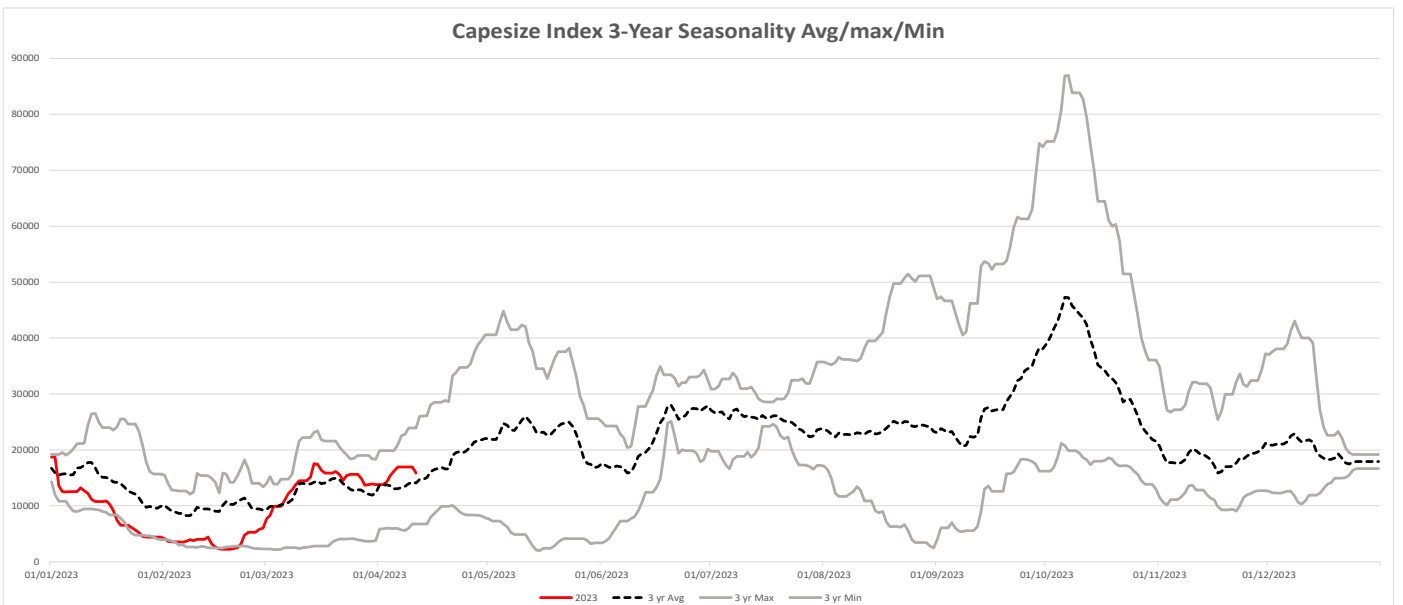


	Support	Resistance	Current Price	Bull	Bear
S1	11,672	R1	17,500	RSI above 50	Stochastic overbought
S2	9,873	R2	19,482		
S3	7,432	R3	21,282		

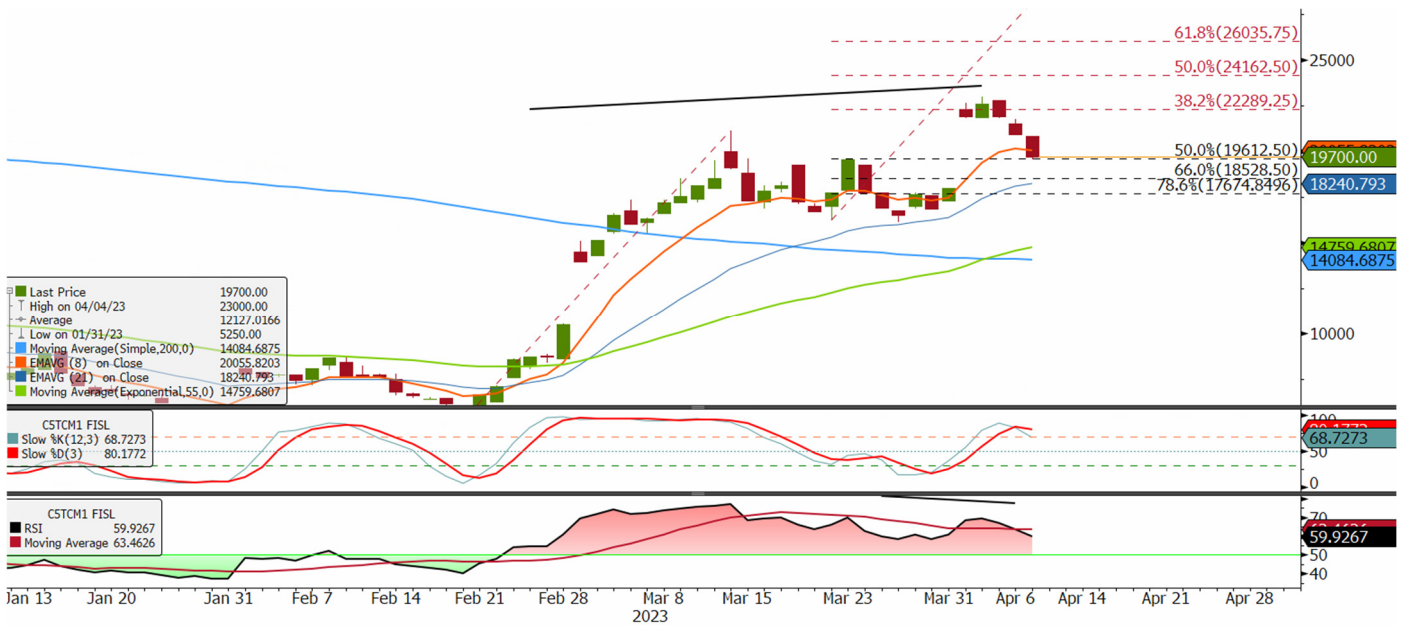
Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (61)
- Stochastic is overbought
- The index remained in a corrective phase last week with price holding above the 21-period EMA and the 200 – period MA. The RSI continued to hold above 50 with the Stochastic in oversold territory, momentum was warning that the index was vulnerable to a test to the upside. Countering this was the weakening MA on the RSI, which implied buyside momentum was weak. However, based on price holding key averages, the RSI/Stochastic combo, whilst the pullback considered as counter-trend, alongside seasonality turning bullish, the technical suggested that resistance levels could be vulnerable. We did move higher with the index trading to a high of USD 16,928 before moving lower, price is above the 8-21 period EMA's supported by the RSI above 50.
- Momentum based on price is now aligned to the buyside, a close below USD 15,742 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.
- We remain technically bullish but have failed to trade to a new high at this point. The MA on the RSI continues to warn that momentum is weak; however, seasonality remains bullish with the RSI holding above 50, warning we could see another test to the upside. A close below USD 15,742 will warn that the USD 13,655 support could be vulnerable, if broken the Fibonacci support zone could come under pressure.



Capesize May 23 (1 Month forward)

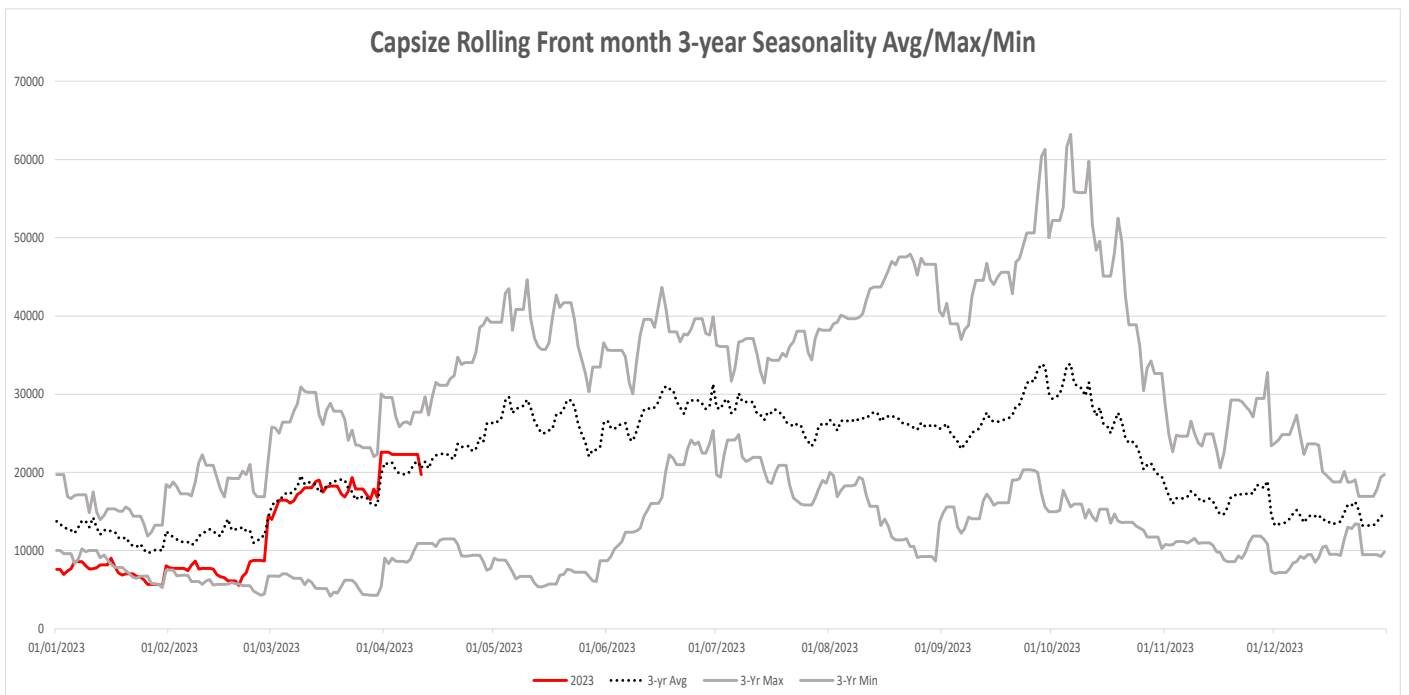


	Support	Resistance	Current Price	Bull	Bear
S1	19,612	R1	22,289	RSI above 50	Stochastic overbought
S2	18,528	R2	24,162		
S3	17,674	R3	26,035		

Synopsis - Intraday

- Price is between the 8-21 period EMA's
- RSI is above 50 (60)
- Stochastic is overbought
- Technically bullish on the last report, the new high meant that the futures were in divergence with the RSI, not a sell signal it warned that we had the potential to see a momentum slowdown. Elliott wave analysis, using the William's approach, suggested that we had a potential upside target at USD 26,035. The futures traded to a high of USD 23,000 before entering a corrective phase. Price is between the 8-21 period EMA's with the RSI above 50.
- Downside moves that hold at or above USD 18,528 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 but in a corrective phase, the MA on the RSI is now flat suggesting momentum is turning neutral; however, seasonality based on 3-year average values remains bullish with price holding above key support at USD 18,528. This will be a key level going forward, as the pullback is on the back of a negative divergence with the RSI, having produced a 5-wave pattern higher. Lower timeframe wave analysis is warning we could see another move higher, but the oscillators have been distorted by the roll, meaning we are a cautious bull at this point.

Source Bloomberg



Capesize Q3 23 (Rolling front QTR)

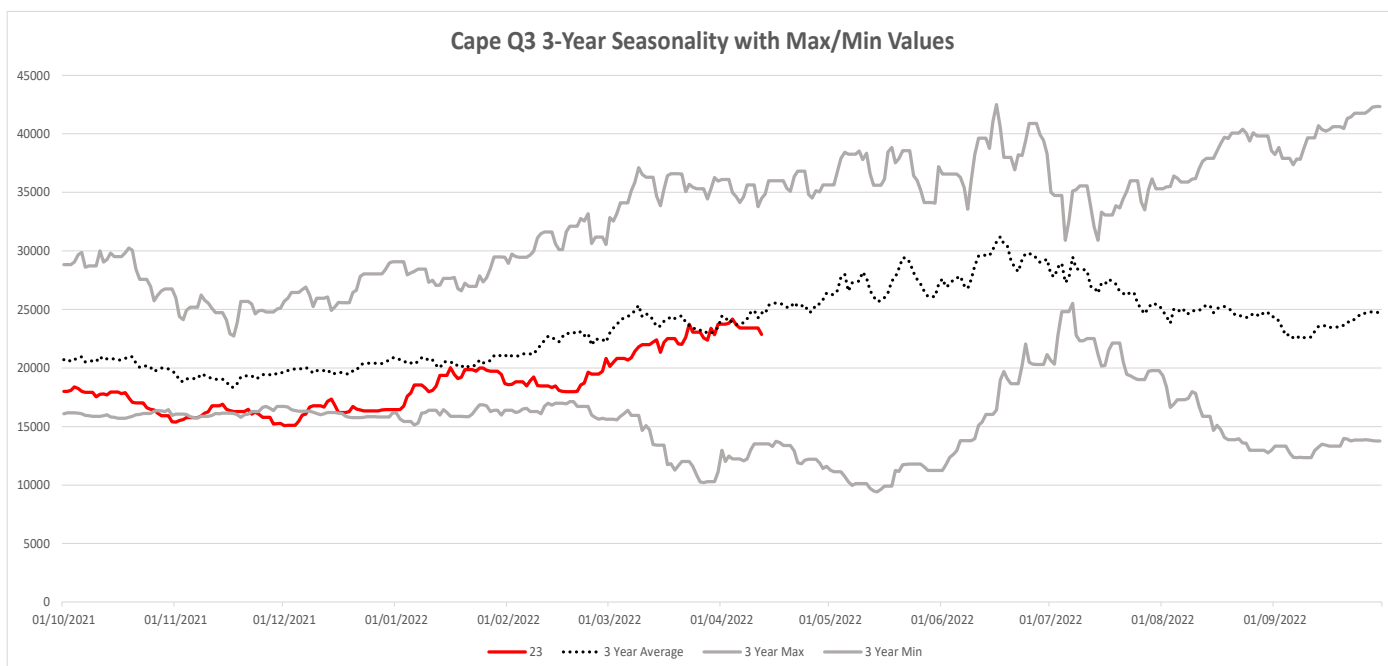


	Support	Resistance	Current Price	Bull	Bear
S1	22,890	R1	24,375	RSI above 50	Stochastic overbought
S2	22,125	R2	25,694		
S3	21,175	R3	26,925		

Synopsis - Intraday

Source Bloomberg

- Price is between the 8-21 period EMA
- RSI is above 50 (57)
- Stochastic is overbought
- We were a cautious bull last week as the futures remained in divergence with the RSI, not a sell signal it was a warning that the futures were vulnerable to a higher timeframe countertrend wave 4 lower. We were seeing some form of wave 3 extension; however, the intraday wave count was unclear, key support to follow was at USD 22,806. The futures did enter a corrective phase with price trading to a low of USD 22,450, price is between the 8-21 period EMA's with the RSI above 50.
- The downside move below USD 22,890 means the futures although bullish now have a neutral bias (this level was revised higher due to the new high). Only below USD 22,125 is the technical bearish.
- Technically bullish with a neutral bias, the deep pullback continues to warn that we could be about to enter a countertrend wave 4. However, confirmation will only come from a break in fractal support (USD 22,125), meaning we remain a cautious bull at this point, as support levels are starting to look vulnerable. Upside moves above USD 24,375 will indicate we are seeing an Elliott wave extension.



Capesize Cal 24



	Support	Resistance	Current Price	Bull	Bear
S1	15,787	R1	16,225	RSI above 50	Stochastic overbought
S2	15,423	R2			
S3	15,136	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the 8-21 period EMA
- RSI is above 50 (53)
- Stochastic is overbought
- Having held above key support last week we remained a cautious bull, the upside move above USD 16,475 warned we could be looking at wave extension, suggesting resistance levels were starting to look vulnerable. The futures traded to a high of USD 16,850 before entering a corrective phase, meaning the USD 16,925 fractal high remains in place. Price is 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).
- A cautious bull, the failure to trade to a new high is warning that support levels are now starting to look vulnerable. Downside moves below USD 15,875 will break a triple support level, warning that the USD 15,423 support could be tested and broken. However, if we hold above the USD 15,423 level we could potentially see market bulls re-enter on the buyside.

