



# Capesize Technical Report

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

## Index

Consolidation is the theme on this report, the index did trade below Fractal support last week but held channel support, price is now in a range between USD 17,500 – USD 13,624. The MA on the RSI is now flat, supporting a neutral argument. However, the sideways movement means we are potentially forming a bull flag, upside moves that close above and hold above the USD 17,500 level will leave resistance levels vulnerable.

## May 23

The technical is bullish with a neutral bias, the deep pullback means the probability of the futures trading to a new high has decreased. However, as noted on the intraday morning technical report last week, USD 17,400 is the most heavily traded area in the last 12 months (based on price not volume), making this an area of interest. We held this level last week, if we hold again, we could see market shorts looking to cover; likewise, if broken the USD16,225 fractal support will be vulnerable. The MA on the RSI would suggest support levels are vulnerable, but with this level being of such interest it is a dangerous area for fresh market shorts.

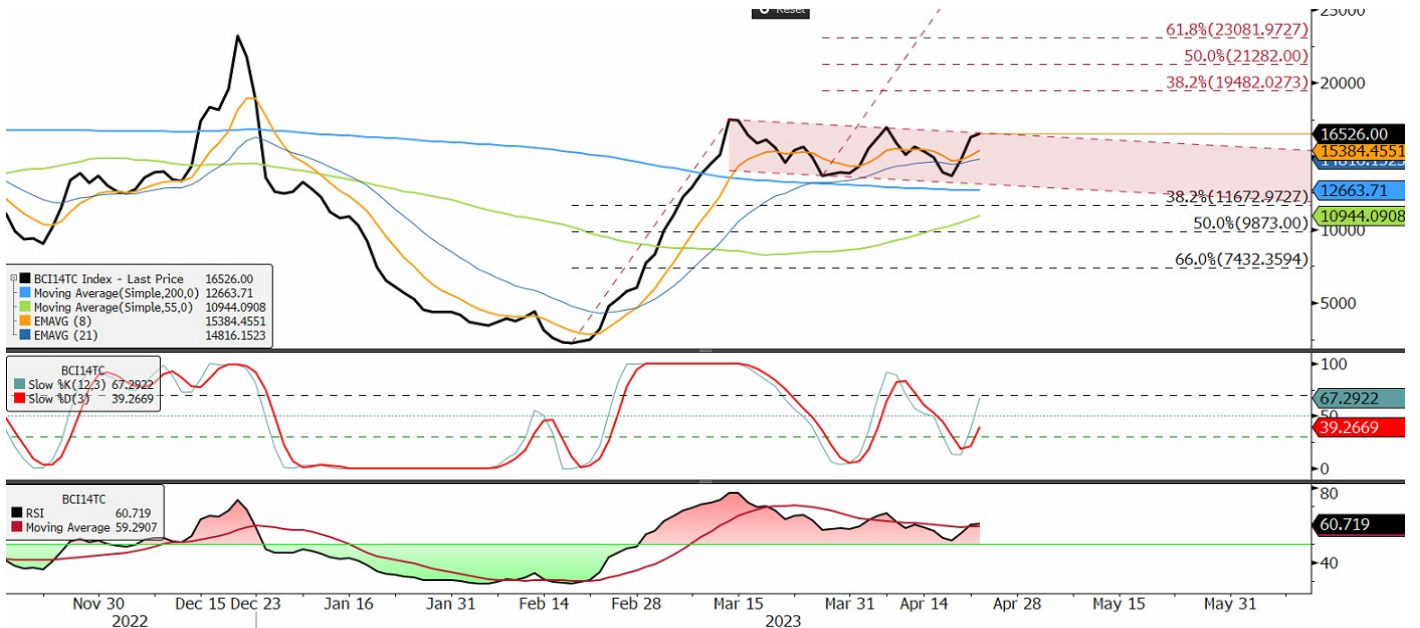
## Q3 23

Technically bullish with a neutral bias, the MA on the RSI would suggest that buy-side momentum is weak, meaning support levels are vulnerable. If the USD 22,125 fractal support is broken, the technical is considered as bearish based on price, confirming that the futures have entered a corrective wave 4. The Elliott wave cycle would suggest that the downside moves should be considered as countertrend, with key longer-term support at USD 20,035. The intraday cycle does suggest price is already potentially in the corrective wave 4 at this point.

## Cal 24

The futures remain technically bullish but in consolidation. Like last week near-term support is at USD 15,875, if broken it will leave the USD 15,423 support vulnerable. If we hold then we still potentially have further upside within this wave 5.

# Capesize Index

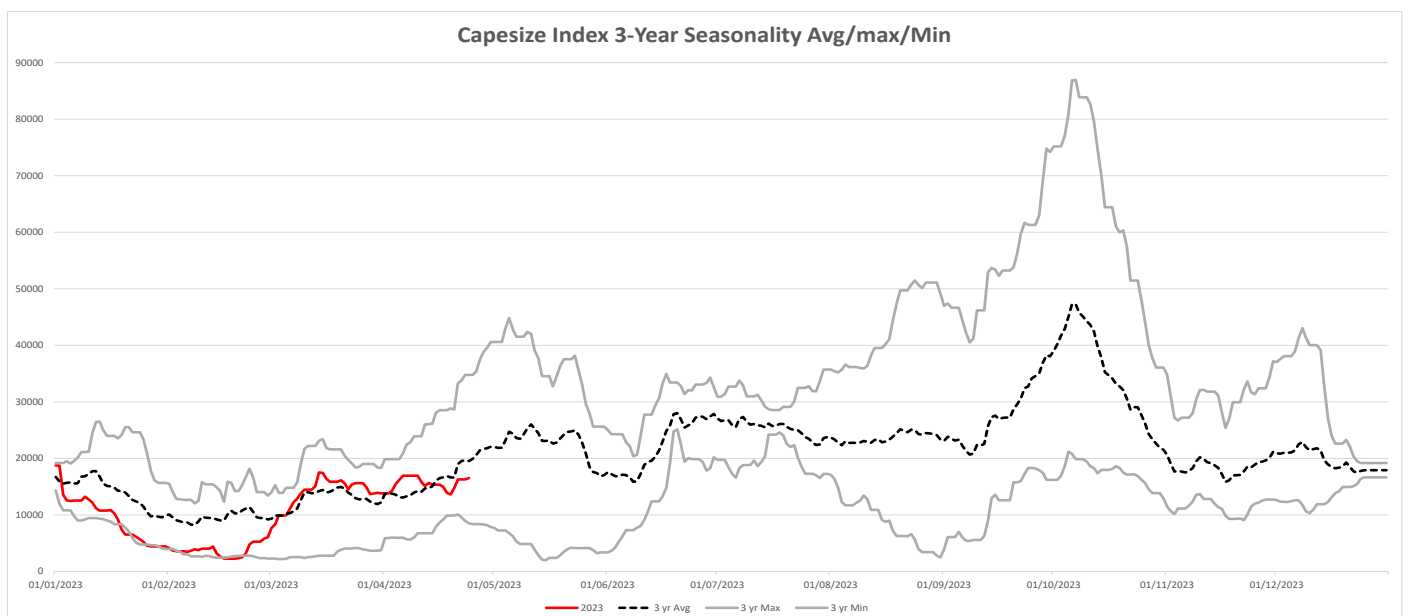


|    | Support | Resistance | Current Price | Bull         | Bear |
|----|---------|------------|---------------|--------------|------|
| S1 | 13,624  | R1         | 17,500        | RSI above 50 |      |
| S2 | 11,672  | R2         | 16,526        |              |      |
| S3 | 9,873   | R3         | 21,282        |              |      |

## Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (60)
- Stochastic is below 50
- The index continued to move lower last week with the MA on the RSI indicating momentum remains weak, the move below USD 15,742 warned that support levels remained vulnerable, if the USD 13,655 fractal support was broken it would suggest we were in a complex corrective phase, warning that the Fibonacci support zone could be tested. Likewise, upside moves above USD 16,928 would support a buyer's argument. The index did move marginally below the USD 13,655 level but has found buyside support with price trading up to USD 16,526. Price is above all key moving averages supported by the RSI above 50.
- Momentum based on price is now aligned to the buyside, a close below USD 14,706 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 is now in a consolidation phase between USD 17,500 – USD 13,624. The MA on the RSI is starting to flatten supporting a neutral market with the upside price action starting to slow (Index USD 256 higher); upside moves above USD 17,500 will warn resistance levels are vulnerable. The technical is bullish; however, until we break the consolidation phase the technical has some neutrality about it. This technical dose look like a bull flag, but will need a confirmation breakout.



# Capesize May 23 (1 Month forward)

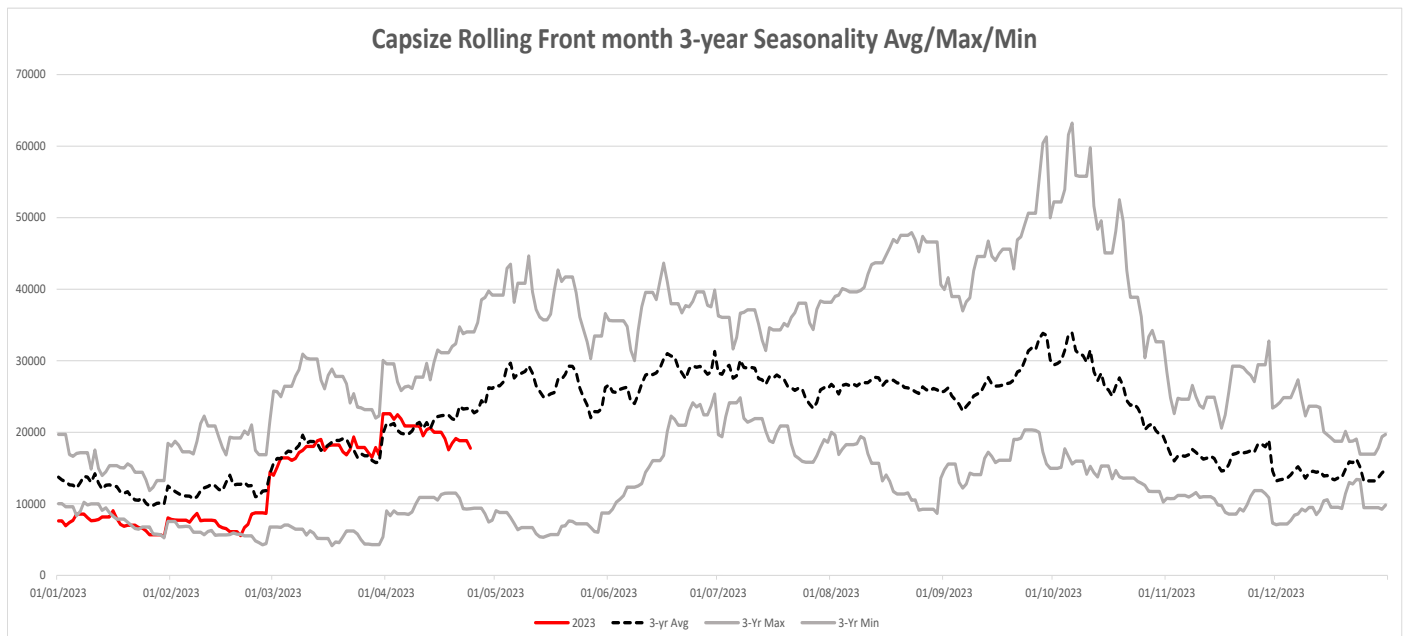


|    | Support | Resistance | Current Price | Bull         | Bear |
|----|---------|------------|---------------|--------------|------|
| S1 | 17,400  | R1         | 19,625        | RSI above 50 |      |
| S2 | 16,225  | R2         | 21,000        |              |      |
| S3 | 14,175  | R3         | 23,000        |              |      |

## Synopsis - Intraday

- Price is below the 8-21 period EMA's
- RSI is above 50 (52)
- Stochastic is oversold
- Technically bullish with a neutral bias on the last report, the downside move below the USD 19,300 fractal support warned that Fibonacci support levels could come under pressure. The RSI had rejected its MA, implying momentum was still weak. However, we were in divergence on the intraday 1-hour technical, warning we have the potential to see a momentum slow-down, suggesting caution on this downside move as momentum indicators were giving conflicting signals. Upside moves that traded above the USD 21,000 level would leave resistance levels vulnerable. The futures traded to a low of USD 17,550 before trading to a high of USD 16,925. Price is coming under pressure again with the futures trading just above the USD 17,750 fractal support. Price is below the 8-21 period EMA's with the RSI above 50.
- The break in the USD 18,528 support means that we now have a neutral bias, warning the USD 16,225 support is vulnerable, below this level the technical is bearish.
- The technical is bullish with a neutral bias, the depth of the pullback is warning that the probability of the futures trading to a new high has decreased. However, the most heavily traded area in the last 12 months (in terms of price not volume) is at USD 17,400, making this a natural area of support. If broken we target the USD 16,625 fractal low; however, having tested this area on the 18/04, if we hold again, we could see market shorts looking to cover. At this point, the MA on the RSI would suggest this level is vulnerable, but it was last week and had a robust rejection when tested.

Source Bloomberg



# Capesize Q3 23 (Rolling front QTR)

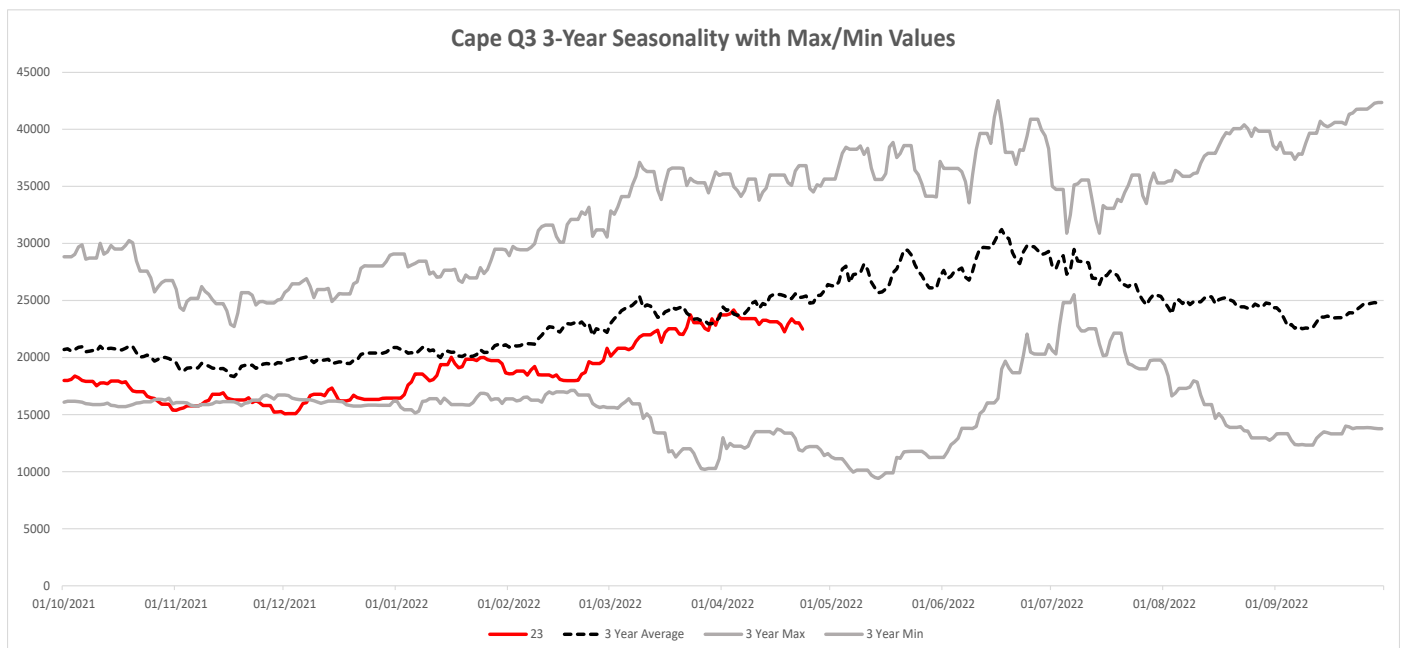


|    | Support | Resistance | Current Price | Bull         | Bear |
|----|---------|------------|---------------|--------------|------|
| S1 | 22,125  | R1         | 23,750        | RSI above 50 |      |
| S2 | 21,087  | R2         | 24,375        |              |      |
| S3 | 20,035  | R3         | 25,694        |              |      |

## Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA
- RSI is above 50 (52)
- Stochastic is below 50
- We noted last week that the futures were potentially about to enter a countertrend corrective Elliott wave 4. The MA on the RSI suggested that momentum was weak, warning support levels were vulnerable, this was supported by a small bearish head and shoulders pattern. Upside moves above USD 23,750 would support a bull argument, whilst above USD 24,375 would mean we could be seeing some form of wave extension. The downside move in the futures has held above the USD 22,125 fractal low; however, the upside moves failed to trade above the USD 23,675 fractal resistance. Price is below the 8-21 period EMA's with the RSI above 50.
- Upside moves above the USD 23,750 will leave resistance levels vulnerable, below USD 22,125 the technical is bearish.
- Technically bullish with a neutral bias, the futures remain in consolidation. The MA on the RSI would suggest that buyside momentum is weak, meaning support levels are vulnerable. If we do trade below the USD 22,125 level, signalling the technical is bearish (confirming we are in a countertrend corrective Elliott wave 4), then key support on the longer-term Elliott wave cycle is at USD 20,035. The cycle remains bullish above this level and neutral below.



# Capesize Cal 24



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

Source Bloomberg

## Synopsis - Intraday

- Price is between the 8-21 period EMA
- RSI is above 50 (54)
- Stochastic is below 50
- Little had changed on the technical last week, we remained a cautious bull with near-term fractal support at USD 16,200, if broken it warned that the USD 15,875 fractal support could come under pressure. The futures traded to a low of USD 16,075, meaning support remains intact. Price continues to consolidate in bullish territory.
- 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 bullish but in consolidation. Like last week near-term support is at USD 15,875, if broken it will leave the USD 15,423 support vulnerable.

## Cape Calendar 3-year Seasonality Avg/Max/Min

