



Capesize Technical Report

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Index

Technically bullish having broken the flag to the upside, we have seen a move lower in the index today. The RSI is above 50; however, we can see highlighted on the chart that 65 has become a resistance level in recent months. If the RSI can move above and hold above 65, then we could see a move higher; likewise, if the 65 level holds and the index closes below the USD 17,995, then we could see support levels being tested, making USD 15,479 the key support to follow.

June 23

The USD 17,400 support held for a second time last week, resulting in the futures moving higher, the roll into June has resulted in the fractal resistance being broken, the technical is now bullish based on price. The MA on the RSI implies momentum is neutral, a move above the USD 21,750 fractal resistance will leave the USD 23,000 fractal high vulnerable; however, a new high will create a negative divergence with the RSI, not a buy signal it is a warning that we could see a momentum slowdown. Technically bullish based on price, we are closing below the daily pivot points at this point, implying price action is currently weak, making USD 18,528 the key support on the technical to follow, as we have the potential to move lower in the coming days.

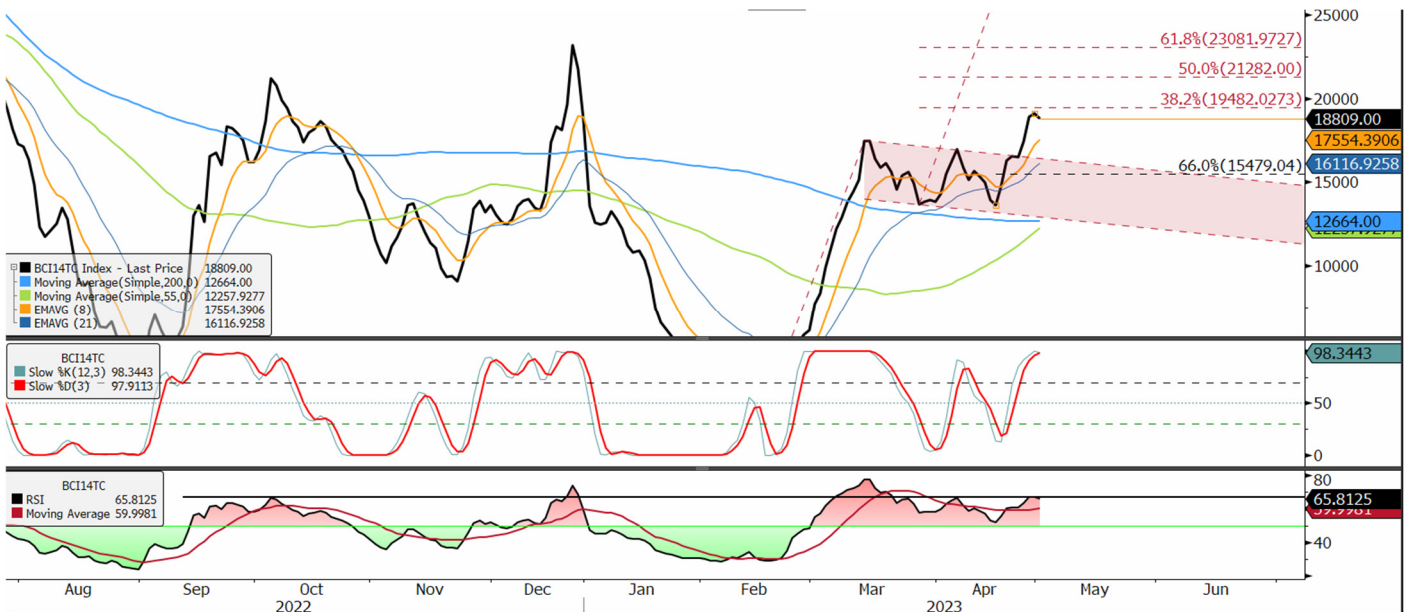
Q3 23

The intraday technical warned last week that we were already potentially in a countertrend corrective Elliott wave 4, the downside move below USD 22,125 has confirmed this. Key support on the longer-term wave cycle is at USD 20,035, the cycle is bullish above this level and neutral below. The MA on the RSI would imply that momentum remains weak at this point, warning support levels could be vulnerable in the near-term. Upside moves above USD 23,125 will warn that we are potentially in the early stages of a bullish impulse Elliott wave 5.

Cal 24

Technically bullish, the MA on the RSI is acting as a resistance line, warning the USD 15,875 support could be tested and broken, if it is then the key support at USD 15,423 will be vulnerable. Upside moves above USD 16,600 will mean price action is starting to strengthen, suggesting market buyers will target the USD 16,925 high.

Capesize Index

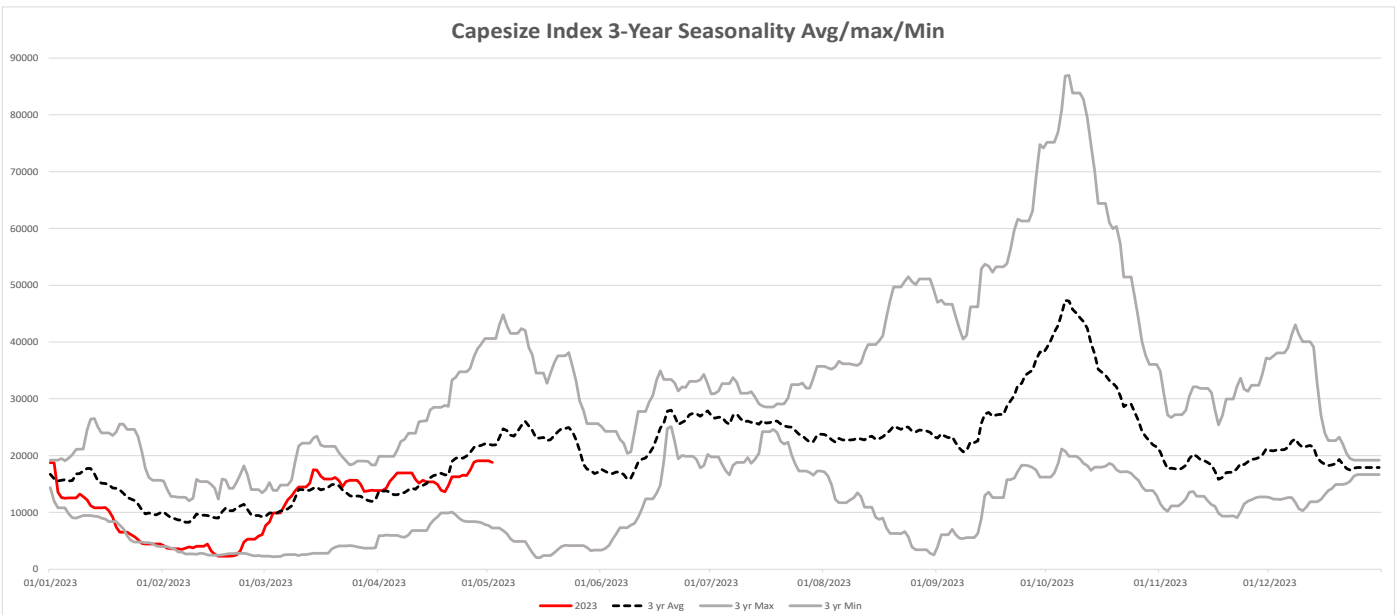


	Support	Resistance	Current Price	Bull	Bear
S1	16,995	R1	19,482	RSI above 50	Stochastic overbought
S2	16,352	R2	21,282		
S3	15,479	R3	23,081		

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (65)
- Stochastic is overbought
- The index was in a consolidation phase last week between USD 17,500 – USD 13,624. The MA on the RSI had started to flatten, supporting a neutral market with the upside price action starting to slow (Index USD 256 higher); upside moves above USD 17,500 would warn resistance levels were vulnerable. The technical was bullish; however, until we broke the consolidation phase we had some neutrality about it. The technical did suggest that a bull flag was forming, but we needed a confirmation breakout. Having moved lower for one more day the index broke to the upside with price trading to a high of USD 19,080. Price is above all key moving averages supported by the RSI above 50.
- Momentum based on price is still aligned to the buyside, a close below USD 17,995 will mean it is aligned to the sell side. Downside moves that hold at or above USD 15,479 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish having broken to the upside. We normally flag an RSI move above 64 as a warning that the index has the potential to go on a run. However, we can see that 65 has become a resistance area in the last 7-8 months, a level we are now testing. If the RSI moves above 65 then resistance levels could come under pressure here. If we hold, and momentum based on price becomes aligned to the sell side, we could potentially see support levels being tested, making USD 15,479 the key support level to follow.



Capesize June 23 (1 Month forward)

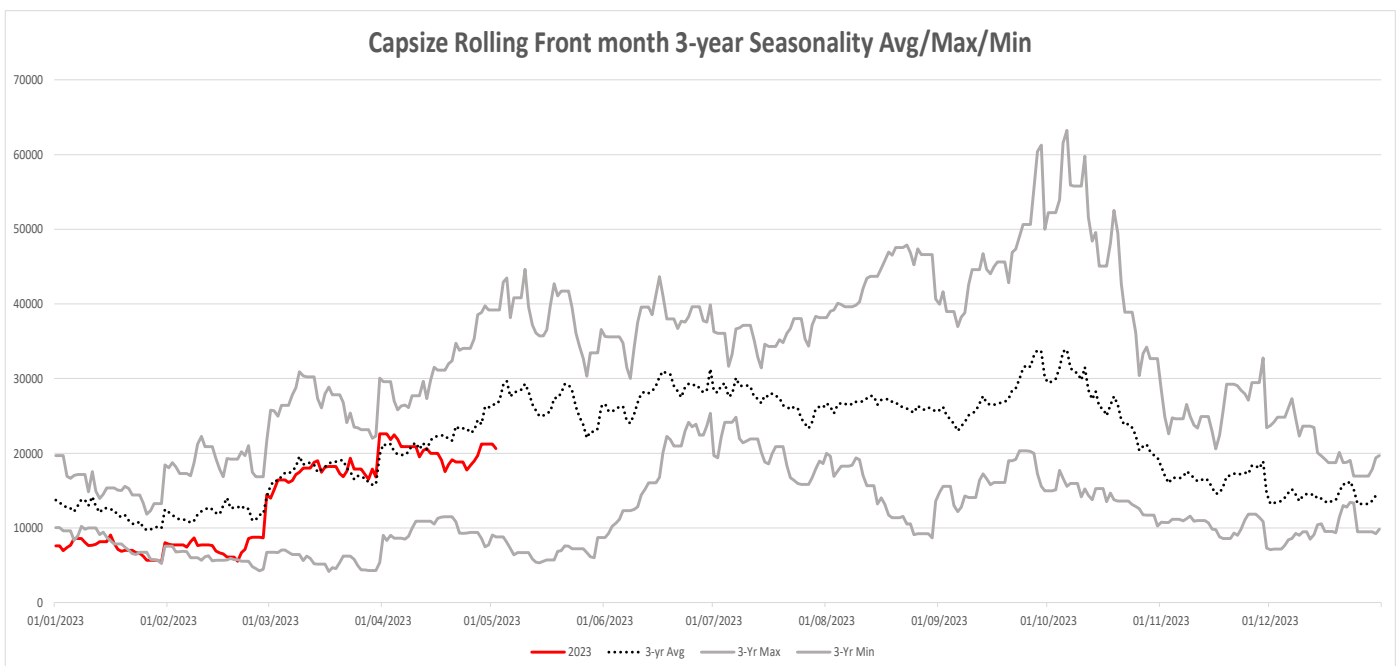


Support		Resistance		Current Price	Bull	Bear
S1	20,411	R1	22,829	20,750	RSI above 50	
S2	19,612	R2	23,000			
S3	18,528	R3	24,162			

Synopsis - Intraday

- Price is above the 8-21 period EMA's
- RSI is above 50 (59)
- Stochastic is above 50
- Technically bullish but with a neutral bias last week, we noted that the probability of the futures trading to a new high was decreasing as the pullback was considered deep. However, we highlighted USD 17,400 was a key support as it was the most heavily traded area based on price in the last 12 month, this level had held on the 18/04, if we held again, we could see market shorts looking to cover. The MA on the RSI suggested the support was vulnerable but the rejection the previous week had been robust when tested. The futures traded to a low of USD 17,625, held support and moved higher, we have since rolled into June. Price is above all key moving averages supported by 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.
- The technical is bullish due to the roll into the June futures, the MA on the RSI would suggest momentum is neutral. However, if we trade back above USD 21,750 then market buyers will target the USD 23,000 fractal high in the near-term with a potential longer-term target as high as USD 26,035. Key support to follow is at USD 18,528; Note: above USD 23,000 the futures and the RSI will be in divergence. Price action is below the daily pivot point, warning support levels are looking vulnerable in the near-term.

Source Bloomberg



Capesize Q3 23 (Rolling front QTR)

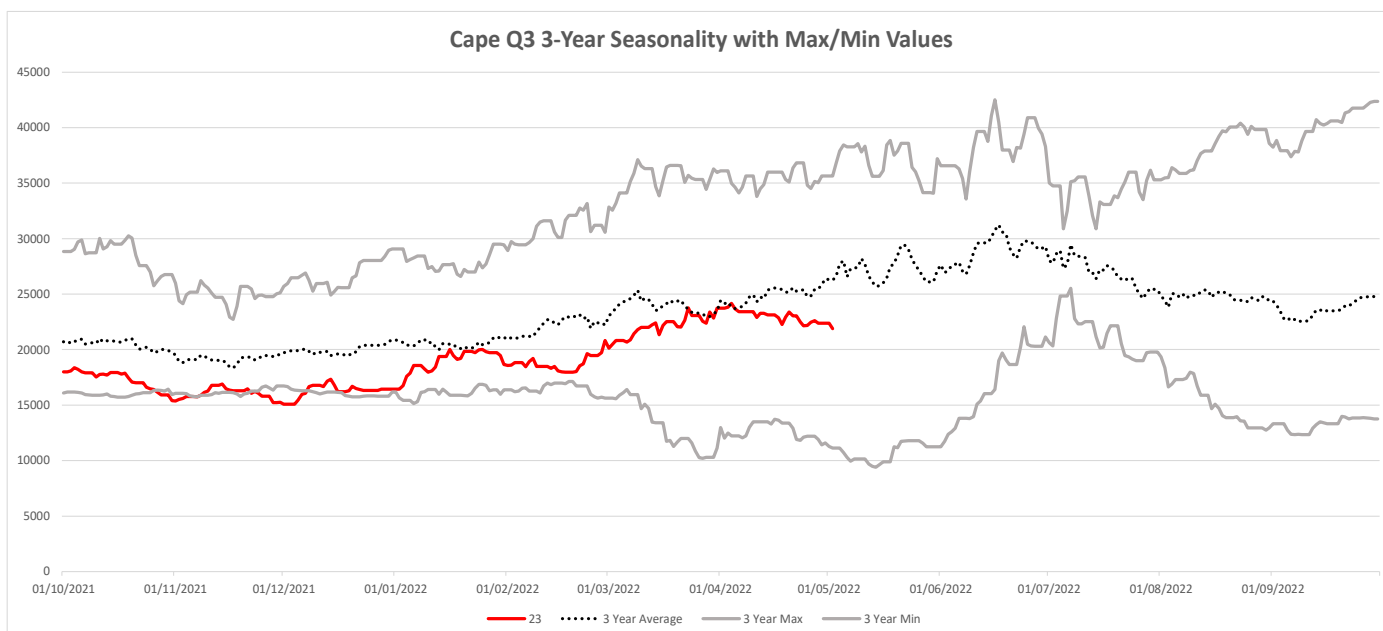


	Support	Resistance	Current Price	Bull	Bear
S1	21,087	R1	23,125	Stochastic oversold	RSI below 50
S2	20,035	R2	23,750		
S3	19,207	R3	24,375		

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA
- RSI is below 50 (48)
- Stochastic is below 50
- Technically bullish with a neutral bias last week, the futures remained in consolidation. The MA on the RSI suggested that buy-side momentum was weak, meaning support levels were vulnerable. If we did trade below the USD 22,125 level, it would signal that the technical was bearish (confirming we are in a countertrend corrective Elliott wave 4), meaning key support on the longer-term Elliott wave cycle would be at USD 20,035. The cycle remained bullish above this level and neutral below. The futures have moved lower with the technical now bearish due to the fractal support being broken. Price is below the 8-21 period EMA's with the RSI below 50.
- Downside moves that hold at or above USD 20,035 will support a bull argument, below this level the longer-term Elliott wave cycle will be considered as neutral.
- As noted last week the intraday Elliott wave cycle had already suggested that we were in a countertrend wave 4, this has now been confirmed on the daily technical, Key support to follow is at USD 20,035. Upside moves above USD 23,125 will be considered as bullish, warning we could be in the early stages of a bullish impulse wave 5. The MA on the RSI would suggest that momentum is weak at this point.



Capesize Cal 24



	Support	Resistance	Current Price	Bull	Bear
S1	15,787	R1	16,600		
S2	15,423	R2	16,850		RSI below 50
S3	15,136	R3	16,925		

Source Bloomberg

Synopsis - Intraday

- Price is below the 8-21 period EMA
- RSI is below 50 (49)
- Stochastic is below 50
- We have been a cautious bull for the last few weeks with the futures holding above the USD 15,875 fractal support. Having consolidated for the last 4 days the futures are now moving lower, price is below the 8-21 period EMA's with the RSI near neutral at 49.
- 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, the MA on the RSI is acting as a resistance line, warning momentum remains weak at this point, suggesting the USD 15,875 support is vulnerable. If broken, then the USD 15,423 support could be tested. Upside moves above USD 16,600 would suggest that momentum based on price is starting to strengthen, meaning market buyers will target the USD 16,925 fractal high.

