



Capesize Technical Report

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Index

Having broken to the upside on the bull flag a few weeks back, the RSI has moved above and held above the 65 level, resulting in the index moving USD 2,000 higher. The technical is bullish, but the RSI is in divergence, which will need to be monitored. However, based on the RSI breakout, the USD 21,282 and USD 23,081 resistance levels now look like they could be tested and broken.

June 23

Technically bullish, upside moves above USD 23,000 will create a negative divergence with the RSI. However, Elliott wave analysis would suggest we have a potential upside target of USD 25,935, whilst a new high would imply that we are seeing a wave 5 extension; meaning, if this is the case, upside target levels could be exceeded. Key support to follow is at USD 19,410.

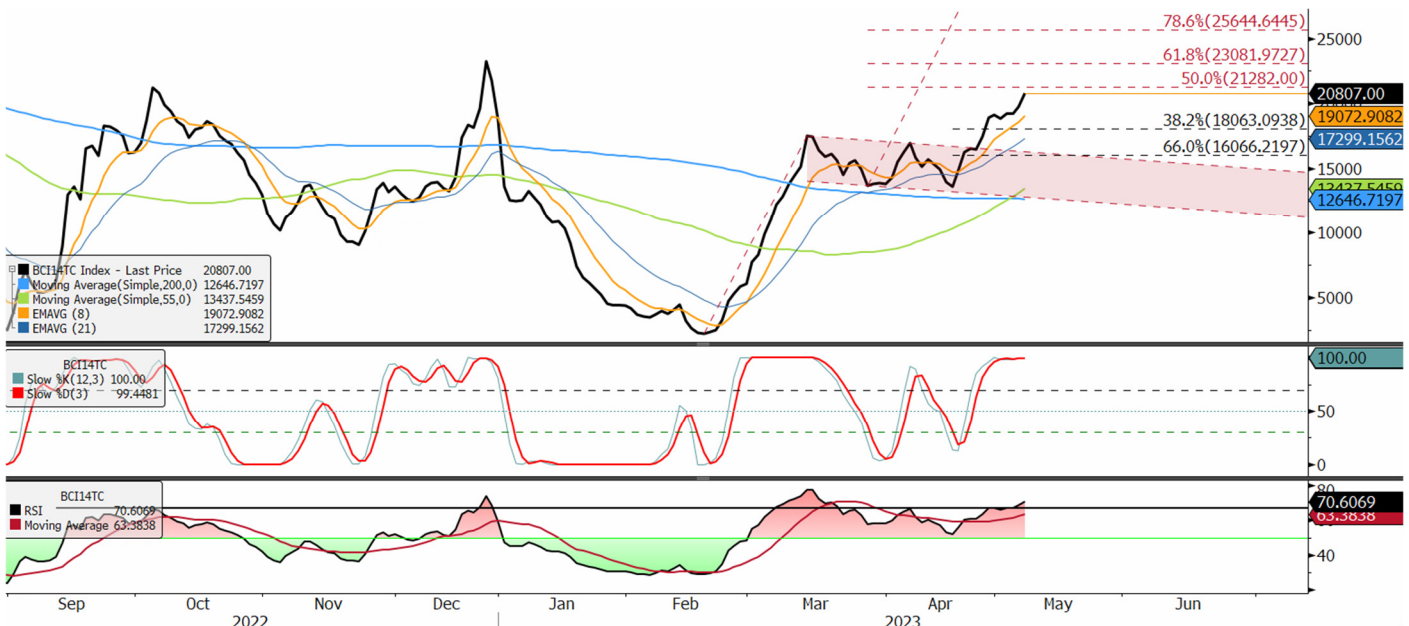
Q3 23

We had previously noted that the downside move looked to be part of a countertrend wave 4. The futures, although corrective now have a neutral bias, based on the depth of the move higher. Upside moves above USD 23,125 would suggest we are in the early stages of a bullish impulse wave 5, if the RSI can hold above 50 then it will support a bullish impulse move. If the USD 23,125 resistance level is broken, we target USD 24,375 high in the near-term, with a potential longer-term upside target at USD 26,397.

Cal 24

The MA on the RSI warned that support levels were vulnerable last week, resulting in the futures trading below the USD 15,875 and USD 15,423 levels. The technical, although bullish, now has a neutral bias. The MA on the RSI would suggest momentum remains weak at this point, making USD 16,183 the key resistance level to follow on the technical.

Capesize Index

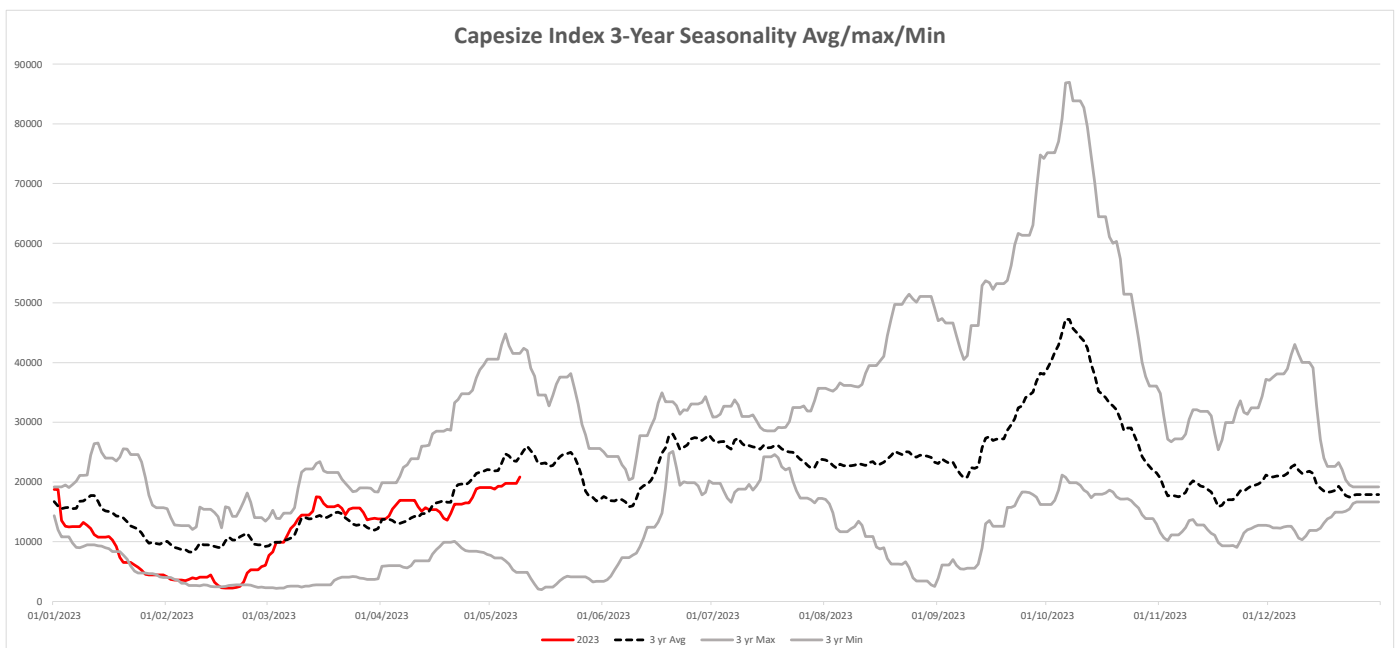


	Support	Resistance	Current Price	Bull	Bear
S1	18,063	R1	21,282	RSI above 50	Stochastic overbought
S2	17,215	R2	23,081		
S3	16,066	R3	25,644		

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (70)
- Stochastic is overbought
- Technically bullish having broken to the upside. Last week. We would normally have flagged an RSI move above 64 as a warning that the index had the potential to go on a run. However, we could see that 65 had become a resistance area in the last 7-8 months, a level we were testing. If the RSI moved above 65 then resistance levels could come under pressure. If we held, and momentum based on price became aligned to the sell side, we had the potentially see support levels being tested, making USD 15,479 the key support level to follow. The RSI moved above 65 resulting in the index moving USD 2,000 higher. Price is above all key moving averages, supported by the RSI above 50.
- Momentum based on price is aligned to the buyside, a close below USD 19,264 will mean it is aligned to the sell side. Downside moves that hold at or above USD 16,066 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the RSI breakout is warning that the USD 21,282 and USD 23,081 resistance levels are vulnerable in the near-term, with the potential to test the USD 25,644 level. However, we should highlight that there is a negative divergence between the RSI and price that will need to be monitored, as it warns we have the potential see a momentum slowdown.



Capesize June 23 (1 Month forward)

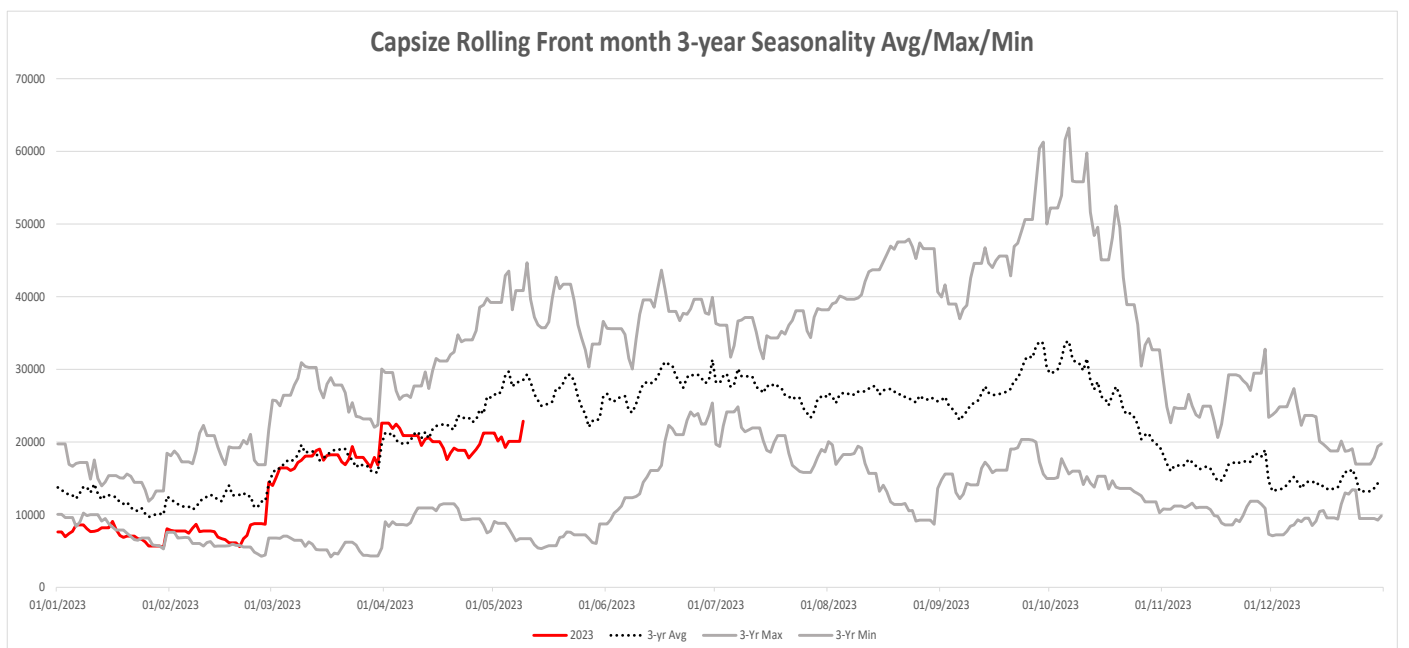


	Support	Resistance	Current Price	Bull	Bear
S1	20,792	R1	23,000	RSI above 50	
S2	20,187	R2	24,062		
S3	19,367	R3	25,935		

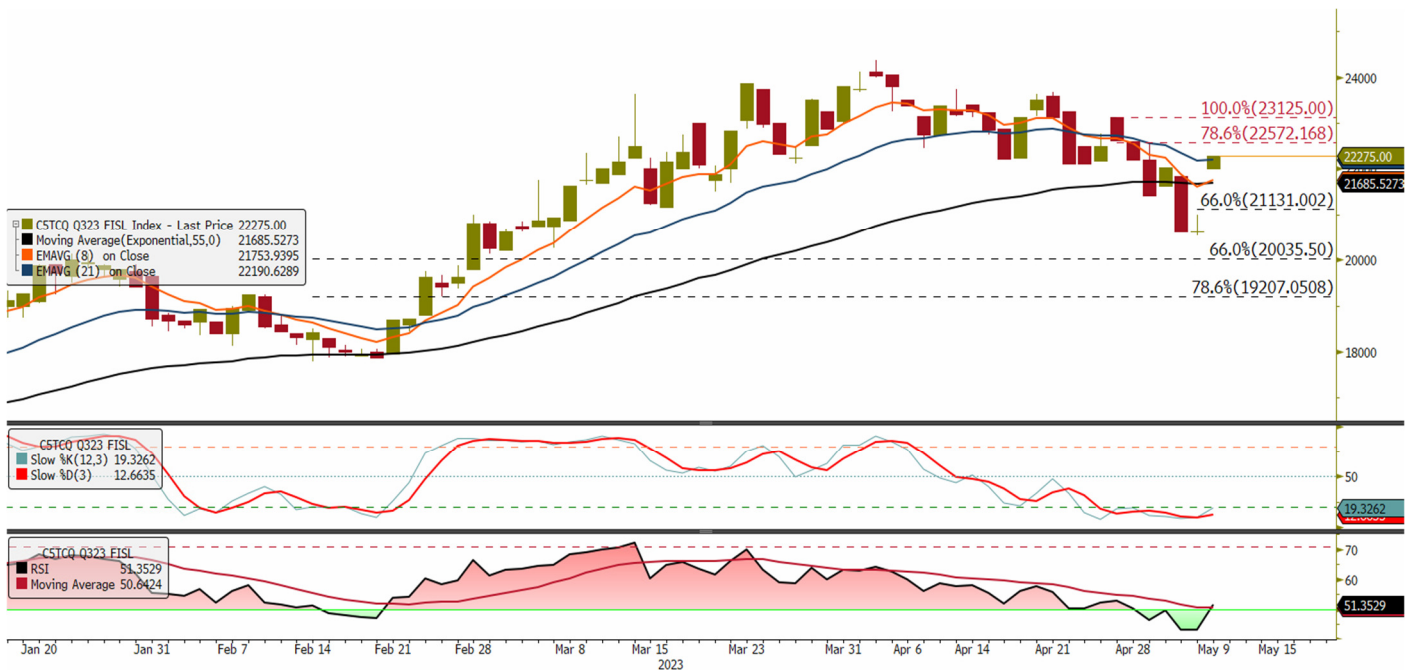
Synopsis - Intraday

- Price is above the 8-21 period EMA's
- RSI is above 50 (61)
- Stochastic is above 50
- The technical was bullish due to the roll into the June futures last week, whilst the MA on the RSI suggested momentum is neutral. However, if we traded back above USD 21,750 then market buyers would 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 was at USD 18,528; we noted that above USD 23,000 the futures and the RSI would be in divergence. The price action last week was below the daily pivot point, warning support levels are looking vulnerable in the near-term. The futures traded around USD 1,600 lower to a low of USD 19,125 before finding buyside support, resulting in a move above the USD 21,750 fractal resistance. Price is above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 19,367 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, upside moves above USD 23,000 will create a positive divergence with the RSI, which will need to be monitored; however, Elliott wave analysis does suggest we have a potential upside target of USD 25,935. We should also highlight that a new high would warn that we are possibly seeing a 5th wave extension, meaning we have the potential to surpass the USD 25,935 level.

Source Bloomberg



Capesize Q3 23 (Rolling front QTR)

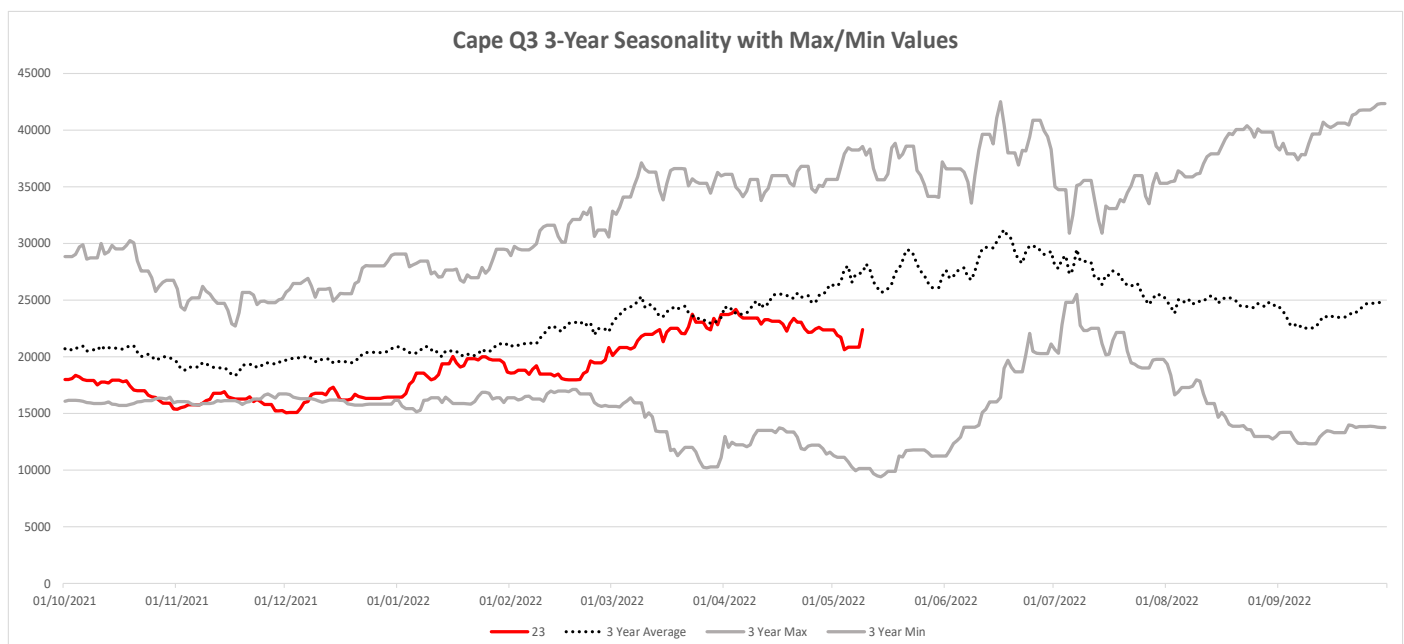


	Support	Resistance	Current Price	Bull	Bear
S1	20,541	R1	22,275	Stochastic oversold	
S2	20,035	R2			
S3	19,207	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is above 50 (51)
- Stochastic is oversold
- As previously noted, the intraday Elliott wave cycle had suggested that we were in a countertrend wave 4, which was confirmed on the daily technical last week. We noted that key support to follow was at USD 20,035. A move above USD 23,125 would be considered as bullish, warning we could be in the early stages of a bullish impulse wave 5. The MA on the RSI suggested that momentum was weak. the futures traded to a low of USD 20,541 before finding buy-side support. Price is above all key moving averages supported by the RSI above 50.
- The upside moves above USD 22,250 means the technical, although corrective, now has a neutral bias. Downside moves that hold at or above USD 21,131 will support a near-term bull argument, below this level we target the USD 22,541 fractal low.
- The recent downside move has been part of a countertrend wave 4 (as previously highlighted), above USD 23,125 will warn that the futures are potentially in the early stages of a bullish impulse wave 5. The MA on the RSI is now flat with the RSI just above 50. If the RSI can hold above the 50 level whilst the stochastic is in oversold territory, then momentum would support a move higher. Likewise, if the RSI moves below 50 then the oversold stochastic is considered as less relevant. USD 23,125 is the key level on this technical, if broken, market bulls will target USD 24,375 high.



Capesize Cal 24



	Support	Resistance	Current Price	Bull	Bear	
S1	15,423	R1	15,775	Stochastic oversold	RSI below 50	
S2	15,136	R2				15,842
S3	14,650	R3				15,987
					16,183	

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA
- RSI is below 50 (46)
- Stochastic is oversold
- Technically bullish, the MA on the RSI was acting as a resistance line last week, warning momentum remained weak, suggesting the USD 15,875 support was 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 was starting to strengthen, meaning market buyers would target the USD 16,925 fractal high. The futures traded below the USD 15,875 and USD 15,423 support levels to a low of USD 15,375. The futures have found light buying support but remain below the 8-21 period EMA's with the RSI below 50. The technical is bullish but now has a neutral bias.
- Upside moves that fail at or below USD 16,183 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 16,325 fractal resistance.
- Bullish with a neutral bias. The futures are moving higher, but the MA on the RSI would suggest momentum remains weak at this point, making USD 16,183 the key resistance level to follow on the technical.

