



# Capesize Technical Report

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## Index

Technically bearish, momentum based on price is aligned to the buy-side whilst the MA on the RSI is showing very early signs that downside momentum could be slowing. However, the RSI has made a new low, suggesting upside resistance levels should in theory hold if tested in the near-term.

## July

I noted on the morning technical that the intraday Elliott wave cycle looked like it had completed, with intraday price turning bullish on the back of the break in fractal resistance. However, the Q3 and Cal 24 cycles suggest otherwise, as do the rolling front month in the Panamax and Supramax. It is marginal but it suggests that I was incorrect, under closer examination my oscillator has made a new low (see full technical to explain the oscillator). Based on this (as in the intraday Elliott wave), we think that this upside move is potentially countertrend. If we trade above USD 19,250, it will break a key intraday fractal, suggesting caution as price should in theory remain below this level.

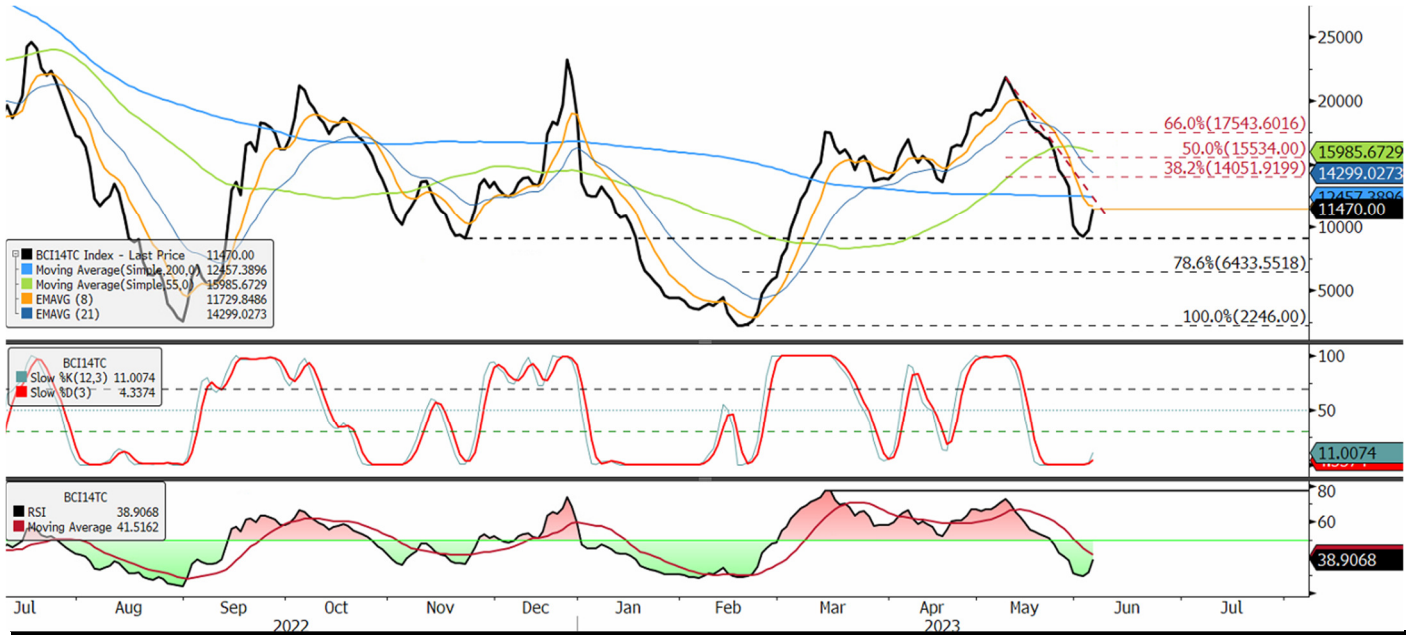
## Q3

We had upside moves as countertrend on the last report, as the consolidation in mid-May did not qualify as a countertrend wave 4, the following downside move means we are had a wave 3 extension instead. We remain technically bearish with upside moves still considered as countertrend based on our Elliott wave analysis.

## Cal 24

The downside move last week means we have seen an extension of the bearish wave 3, meaning we maintain our view that upside moves should be considered as countertrend. The RSI is still below 50 with the stochastic in overbought territory, if the RSI holds below 50, then momentum will warn we are vulnerable to further tests to the downside, supporting the Elliott wave cycle.

# Capesize Index

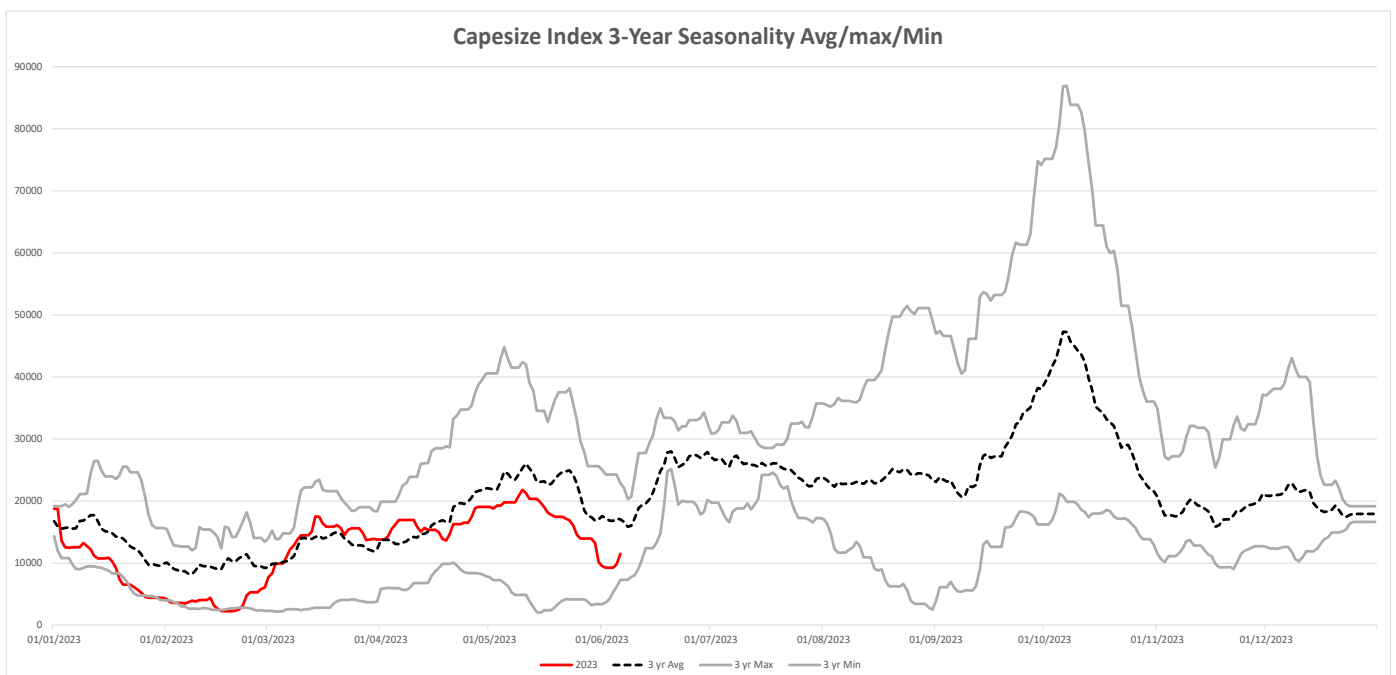


	Support	Resistance	Current Price	Bull	Bear
S1	9,057	R1	14,051	Stochastic oversold	RSI below 50
S2	6,433	R2	15,534		
S3	2,246	R3	17,543		

## Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (38)
- Stochastic is oversold
- Technically bullish with a neutral bias on the last report We noted that the MA on the RSI was suggesting momentum remained weak. Price was testing the previous breakout level from the consolidation channel; we highlighted that a downside move the following day would suggest that the USD 15,376 and USD 13,624 support levels could come under pressure. The index did move lower with price breaking support levels, resulting in the index trading to a low of USD 9,254. We are now seeing buyside support with price testing, but remaining below all key moving averages with the RSI is below 50.
- Momentum based on price is now aligned to the buyside, a close below USD 9,982 will mean it is aligned to the sell side. Upside moves that fail at or below USD 17,543 will leave the index vulnerable to further tests to the downside, above this level we have a neutral bias.
- Technically bearish, the MA on the RSI would suggest that momentum remains weak at this point; however, we are seeing early warning signs that the MA on the RSI could soon start to flatten, suggesting sell side momentum is slowing down in the near-term. Momentum based on price is aligned to the buyside, but with the RSI making new lows it would suggest that resistance levels should in theory hold in the near-term if tested.



# Capesize July 23 (1 Month forward)

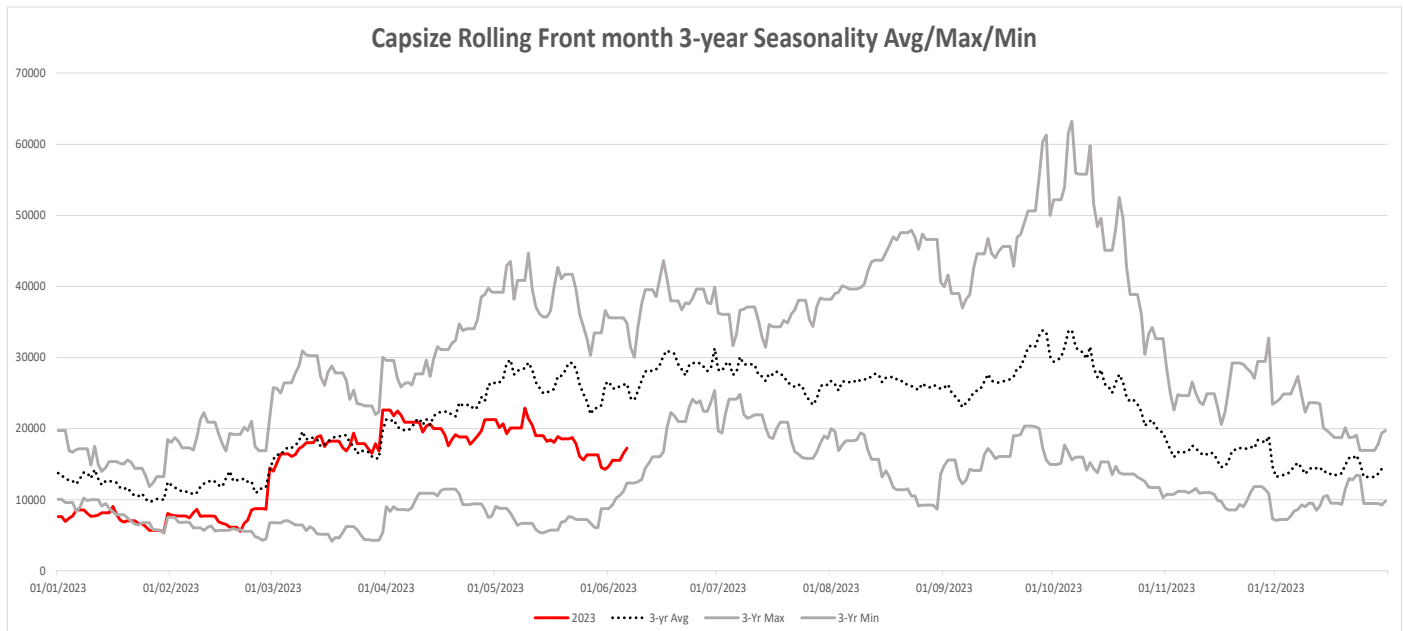


	Support	Resistance	Current Price	Bull	Bear
S1	15,967	R1	18,218		RSI below 50
S2	15,467	R2	19,796		
S3	14,777	R3	21,039		

## Synopsis - Intraday

- Price is between the 8-21 period EMA's
- RSI is below 50 (48)
- Stochastic is below 50
- Technically bearish previously, the intraday divergences had failed, suggesting the USD 16,020 intraday target would be tested and broken. The breakdown in the consolidation pattern suggested that we had the potential to trade as low as USD 15,040 in the near-term with the 100% projection level at 12,932. The futures continued to move lower with the futures trading down to USD 13,375 before finding buy-side support. Price is between the 8-21 period EMA's with the RSI below 50.
- Upside moves that fail at or below USD 19,796 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- On the intraday morning technical I noted today that the futures looked like they had completed the bearish wave 3. However, the Panamax and Supramax Elliott wave cycles continued to suggest that the upside moves we are seeing look to be countertrend, as do the Cape Q3 and Cal 24 cycles. It is marginal, but I think that under closer examination, it does look like that the rolling front month cycle may not yet have completed (difference on my, MACD -1,965 v - 1,978, meaning the oscillator has in fact made a new low on a 66 min candle chart, it is tight and possibly subjective). This would suggest that the current upside move is potentially countertrend. If we do trade above USD 19,250 then we would suggest caution as this would be above a key intraday fractal.

Source Bloomberg



# Capesize Q3 23 (Rolling front QTR)

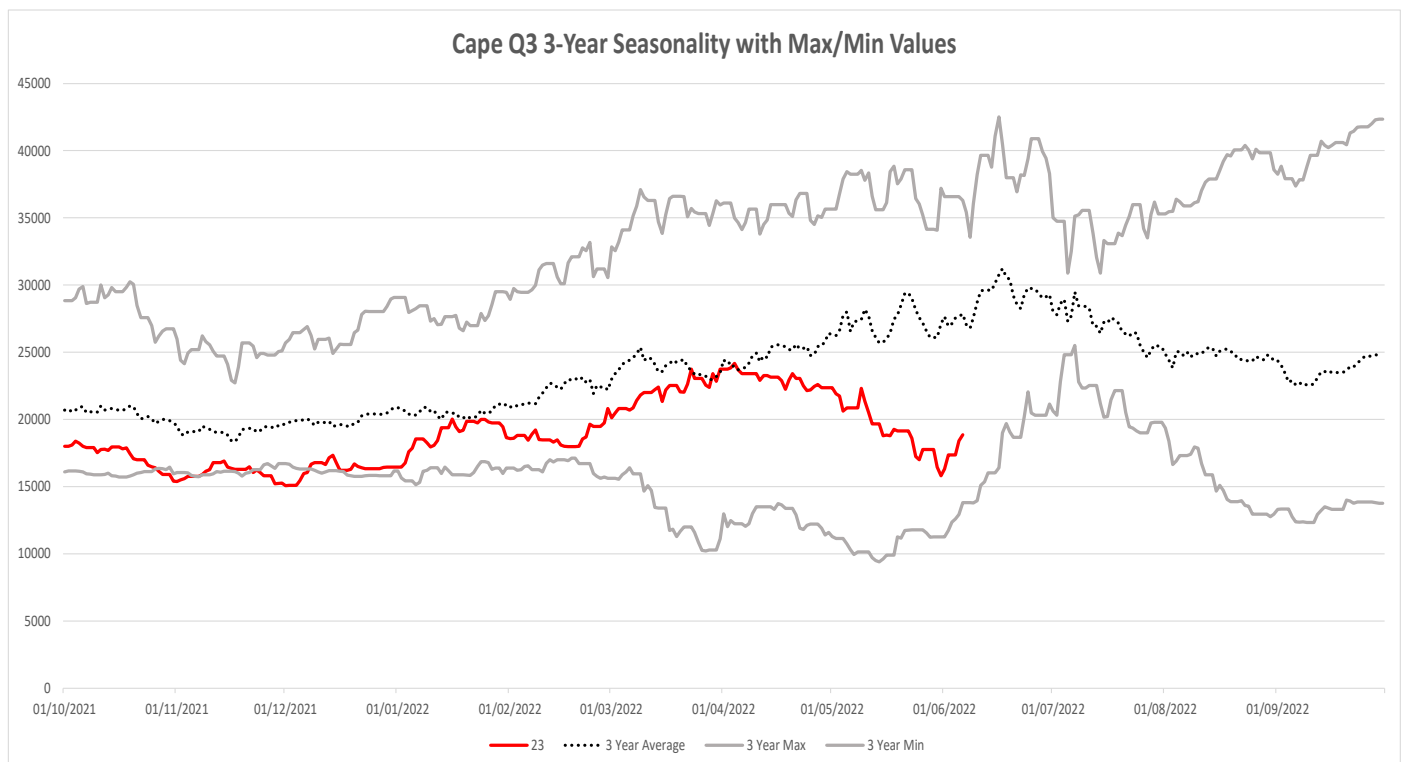


	Support	Resistance	Current Price	Bull	Bear
S1	17,613	R1	18,825		
S2	17,162	R2	19,969		RSI below 50
S3	16,550	R3	20,869		

## Synopsis - Intraday

Source Bloomberg

- Price is between the 8-21 period EMA
- RSI is below 50 (45)
- Stochastic is at 50
- Technically bearish in the last report, the MA on the RSI continued to suggest that momentum was weak, whilst the RSI was making new lows. Intraday Elliott wave analysis implied that upside moves should still be considered as countertrend. Having traded to a low of USD 15,250 the futures have since found some strong buyside support.
- Upside moves that fail at or below USD 19,969 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the consolidation around mid-May failed to constitute a corrective wave 4, meaning we have seen an extended Elliott wave 3 to the downside. Based on our Elliott wave analysis, this current upside moves looks like it could potentially be countertrend, making USD 19,969 the key resistance to follow.



# Capesize Cal 24



	Support	Resistance	Current Price	Bull	Bear
S1	14,027	R1	15,125		
S2	13,650	R2	15,597		RSI below 50
S3	13,272	R3	15,968		

## Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is below 50 (47)
- Stochastic is overbought
- Technically bearish on the last report, the MA on the RSI suggested that near-term momentum remained weak, supported by the RSI making new lows. Intraday Elliott wave analysis implied that upside moves should be considered as countertrend. The futures traded to a low of USD 13,650 before finding buy-side support, price is above the 8-21 period EMA's with the RSI below 50.
- Upside moves that fail at or below USD 15,968 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Again, the downside move means we have seen a wave 3 extension, meaning we maintain our view that upside moves should be considered as countertrend base on the intraday Elliott wave cycle, making USD 15,597 the key resistance to follow. The RSI is still below 50 with the stochastic in overbought territory, if the RSI holds below 50, then momentum will warn we are vulnerable to further tests to the downside.

