



# Capesize Technical Report

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

## Index

The index has traded down to the 50% projection level of symmetrical triangle at USD 8,572. We are starting to see bid support today, but momentum based on price needs to close above USD 9,257 to be considered bullish, preferably with the RSI above its moving average, as this continues to warn of momentum weakness. However, the RSI at 32 is nearing support levels dating back to Feb and Jun 23, suggesting caution on downside moves as we could be about to see a momentum slowdown.

## October 23

The Sep contract had looked overextended to the downside last week; however, price failed to close above the 200-period MA, resulting in further moves lower. The Roll into the October contract resulted in the futures gapping higher, after two very small price range days lower, we have seen a strong move higher today. In theory, the technical is bearish on the daily and bullish on the intraday with key resistance to follow at USD 16,059, upside moves above this level will mean the technical will have a neutral bias. In reality, if we look at the non-rolling contract (I.E. the October outright) you will see that is a fractal resistance at USD 15,875; if this level is broken, then then one would expect resistance levels to come under pressure as price action will be bullish.

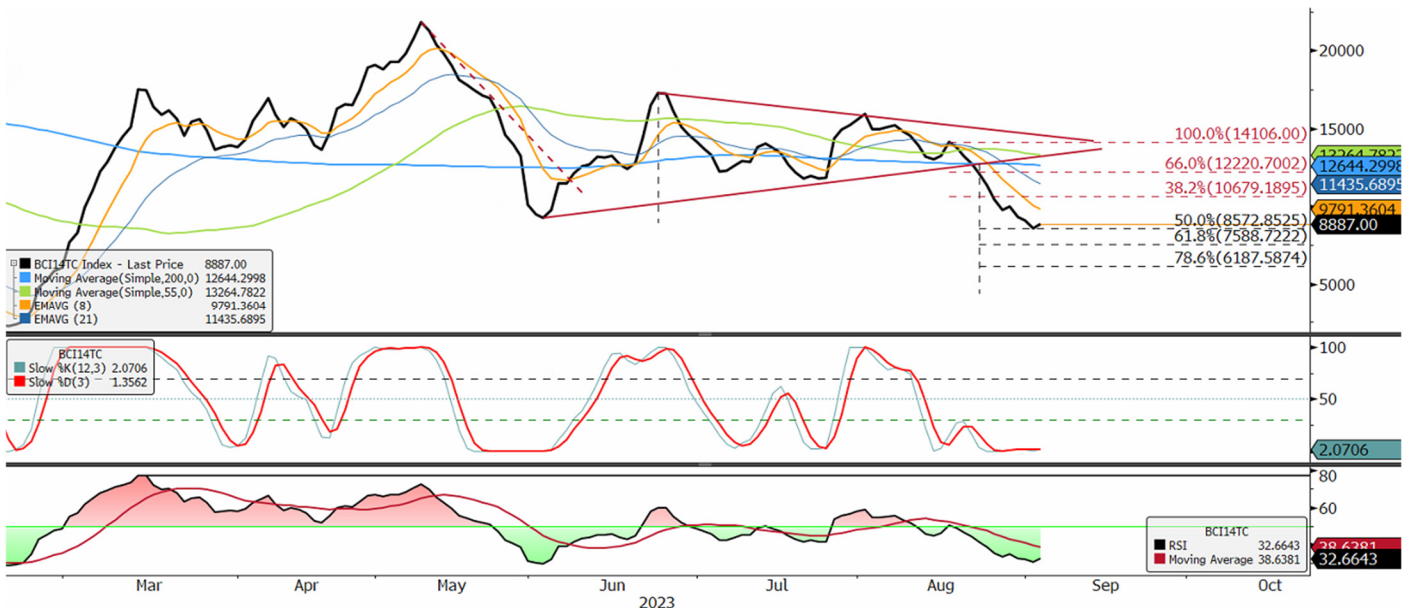
## Q4 23

The futures were in a support zone last week with upside moves considered as countertrend, we noted that a close below USD 15,200 would leave the USD 14,750 – USD 14,050 support levels vulnerable. The futures traded to a low of USD 14,700 before finding bid support; however, the break to the downside resulted in a fractal resistance forming at USD 15,900. This level is now being tested, if broken the technical will be bullish, warning the Fibonacci resistance zone could come under pressure. We are moving higher on the back of a positive divergence on the intraday, if we close around these levels, it will be above the closing level of the previous seven candles, suggesting there will be further upside to come.

## Cal 24

We have a similar story between the Q4 and the Cal 24. The downside move last week resulted in a fractal resistance forming at USD 14,000; however, price has moved higher today on the back of a positive divergence with the RSI, resulting in the futures trading above the resistance, the technical is now bullish. The RSI has also broken resistance levels, warning downside moves should be considered as countertrend at this point.

# Capesize Index



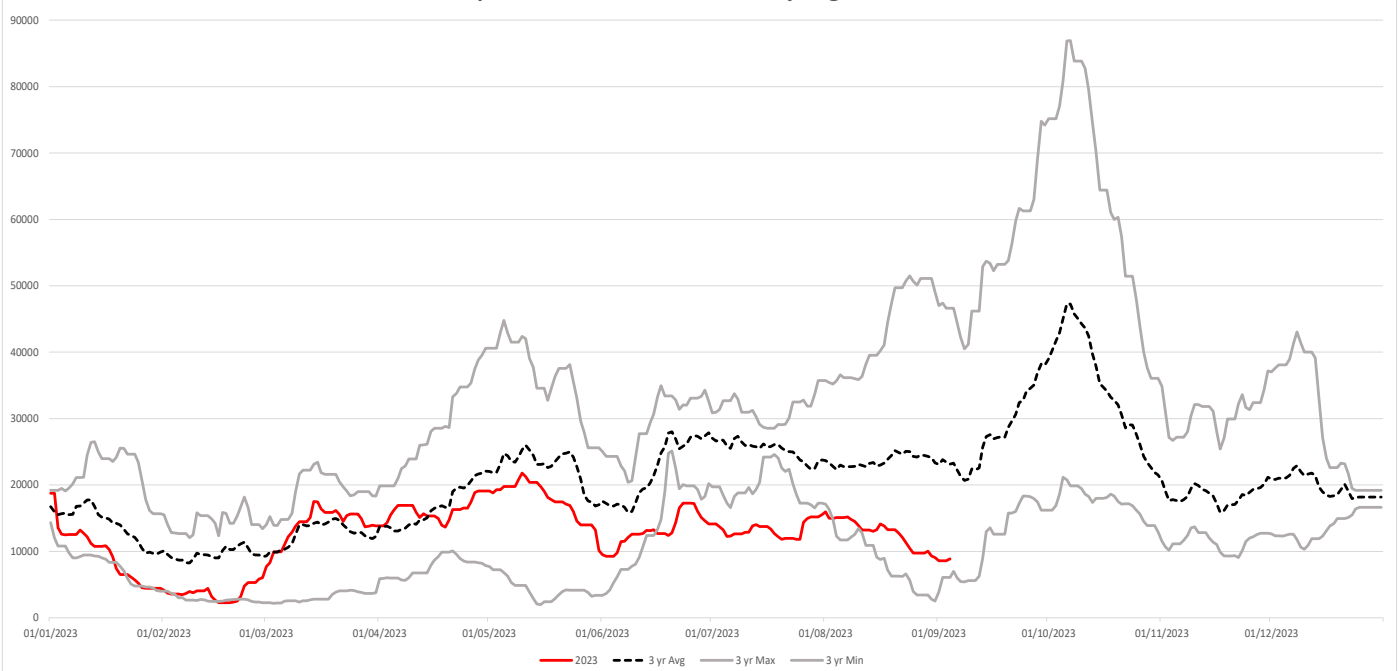
Support	Resistance	Current Price	Bull	Bear
S1	R1	8,887	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (32)
- Stochastic is oversold
- The index was testing near-term support last week with price turning higher on the day of writing, we noted that market buyers would want to see a close above USD 10,976. The MA on the RSI did suggest that momentum remained weak, warning resistance levels could hold if tested, making USD 12,619 the key level to follow. There was no momentum follow through last week with the index turning lower the next day resulting in price trading to a low of USD 8,561. We have seen price move higher today having tested the USD 8,572 support, we remain below all key moving averages with the RSI below 50.
- Momentum based on price is aligned to the sell side, a close above USD 9,257 will mean it is aligned to the buy side. Upside moves that fail at or below USD 12,220 will leave the index vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish with price currently holding above the USD 8,572 support. Market buyers will want to see an index close above USD 10,976 with the RSI above its MA to signal momentum based on price is starting to strengthen. If we do, then resistance levels could come under pressure. At this point the MA on the RSI continues to suggest that momentum is weak; however, the RSI is at 32 and nearing support levels.

Capesize Index 3-Year Seasonality Avg/max/Min



# Capesize Oct 23 (1 Month forward)

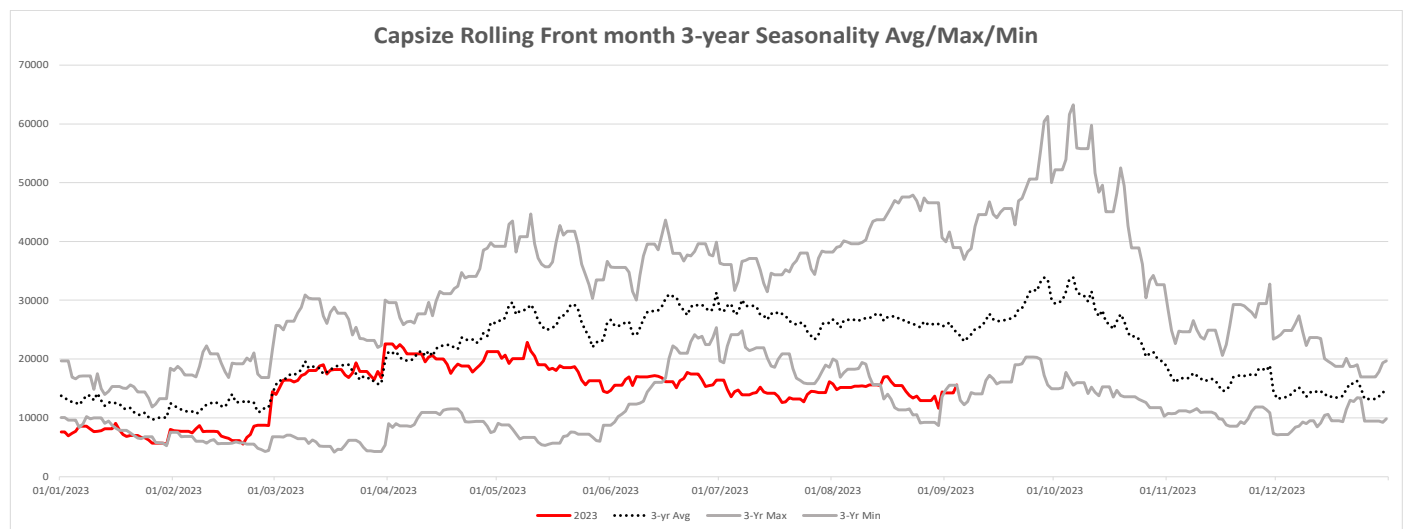


	Support	Resistance	Current Price	Bull	Bear
S1	14,097	R1	15,875	RSI above 50	
S2	12,985	R2	16,059		
S3	11,575	R3	17,700		

### Synopsis - Intraday

- Price is above the 8-21 period EMA's
- RSI is above 50 (53)
- Stochastic is below 50
- Technically bearish in the September contract last week (we have now rolled to October), the futures were finding light bid support having been overextended to the downside. Price was testing the 200-period MA at USD 13,696, a close above that held above the average would warn that resistance levels could come under pressure; likewise, if the average held then support levels would remain vulnerable. We had noted on the morning technical that due to the speed of the downside move there was little intraday resistance until the USD 15,000 – USD 15,400 area, making this an area of interest for market sellers. It could be that resistance would be tested through the function of the roll into October; however, it did suggest caution at those levels. The Sep futures rejected the 200-period MA resulting in price trading to a low of USD 11,125. The roll into October has resulted in the futures gapping higher with the futures seeing a strong move to the upside today. Price is above all key moving averages supported by the RSI above 50.
- Upside moves that fail at or below USD 16,059 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias, warning resistance levels could come under pressure, as the intraday technical is bullish. Likewise, downside moves that hold at or above USD 12,985 will support a near-term bull argument, below this level the USD 11,575 fractal low will be vulnerable.
- We are technically bearish based on price (the intraday is now bullish) with the futures approaching the USD 16,059 resistance. We highlight USD 15,875 as a key level to follow on the non-rolling front month, as this is a fractal resistance. If broken it will warn that the USD 16,059 – USD 17,700 resistance levels could be tested and broken, as the non-rolling futures will be bullish. If However, we brake the USD 15,875 resistance but reject the USD 16,059 level, then market longs should be cautious.

Source Bloomberg



# Capesize Q4 23 (Rolling front QTR)

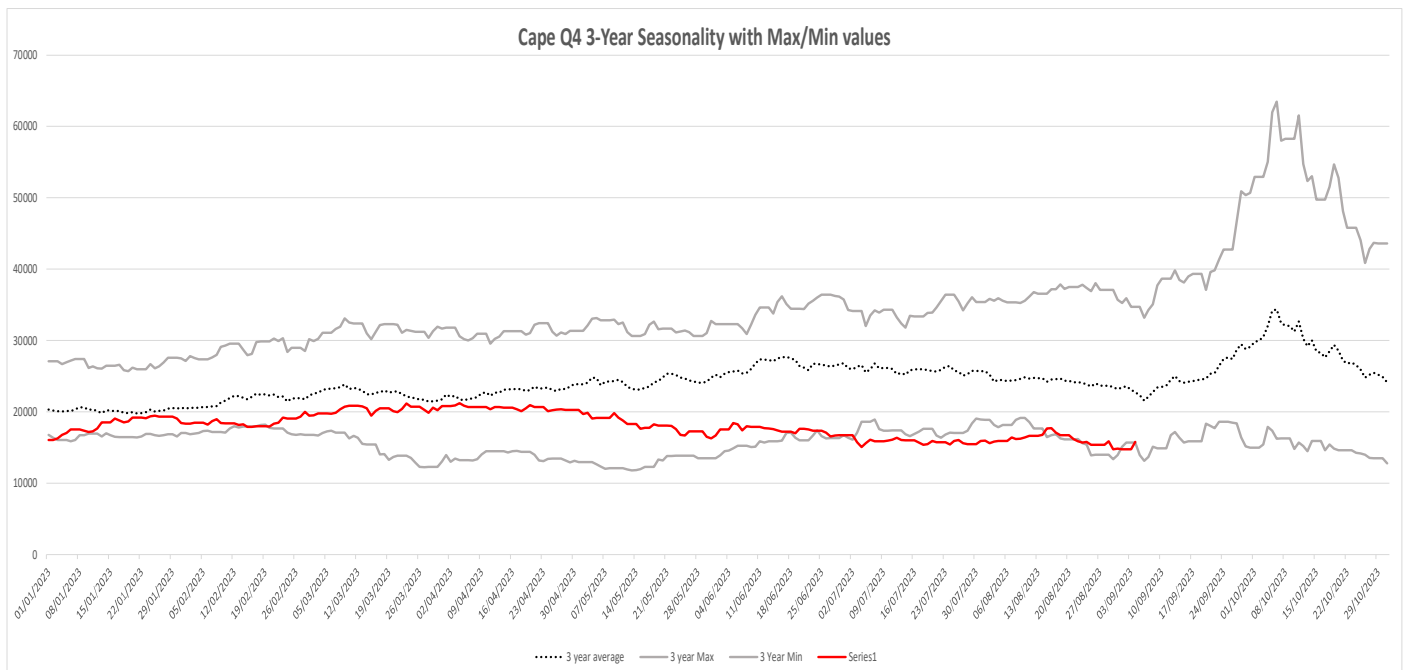


	Support	Resistance	Current Price	Bull	Bear
S1	14,537	R1	15,900	Stochastic oversold	RSI below 50
S2	14,050	R2	16,008		
S3	13,357	R3	16,412		

## Synopsis - Intraday

Source Bloomberg

- Price is between the 8-21 period EMA
- RSI is below 50 (47)
- Stochastic is oversold
- We remained in a support zone last week with upside moves considered as countertrend, based on the RSI making new lows. The MA on the RSI suggested momentum remained weak, implying resistance levels should hold if tested. A close below USD 15,200 would warn that the USD 14,750 – USD 14,050 support levels could come under pressure. Key resistance to follow on upside moves was at USD 17,147. The futures failed to trade above USD 15,900 resulting in price trading to a low of USD 14,700 before finding bid support today. Price is between the 8-21 period EMA's with the RSI below 50.
- Upside moves above USD 15,900 will break fractal resistance, at this point the technical will be bullish; however, upside moves that fail at or below USD 16,960 will warn that there is potentially a larger cycle in play.
- Technically bearish but with a neutral bias, the futures are moving higher on the back of a positive divergence on the intraday 1-hour chart. We are now approaching a key resistance at USD 15,900 that formed after the move lower last week, meaning the futures are at an inflection point. A close above that holds above this level will mean the technical is bullish, warning that the Fibonacci resistance zone could be tested and broken.



# Capesize Cal 24



	Support	Resistance	Current Price	Bull	Bear
S1	13,654	R1	13,900	Stochastic oversold	RSI below 50
S2	13,500	R2			
S3	13,336	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is between the 8-21 period EMA
- RSI is below 50 (48)
- Stochastic is oversold
- Unchanged on the technical last week, we remained in a support zone with upside moves considered as countertrend. This was based off the RSI making a new low whilst the MA on the RSI was implying momentum is weak, suggesting resistance levels should hold if tested in the near-term, making USD 14,450 the key level to follow. The futures traded to a new low with price moving higher on the back of a positive divergence with the RSI on the intraday technical. Price is between the 8-21 period EMA with the RSI below 50.
- Downside moves that hold at or above USD 13,654 will support a bull argument, below this level the technical will have a neutral bias.
- The downside move last week resulted in a fractal resistance forming on the daily technical at USD 14,000. The upside move today has resulted in resistance being broke, meaning the technical is now bullish, making USD 13,654 the key support level to follow. The RSI has also broken resistance, warning downside moves should in theory be considered as countertrend at this point.

