



Capesize Technical Report

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Index

With the RSI moving above 64 two weeks ago the index has moved around USD 5,000 higher. We remain technically bullish with price trading back to new highs; however, we do have a minor negative divergence in play that is warning that we could see a momentum slowdown, which will need to be monitored. If the divergence fails, then the USD 23,646 and USD 27,834 resistance levels could come under pressure.

November 23

The roll into the November contract has resulted in fractal support being broken, meaning we are bearish based on price. The fractal break is warning that the current upside move has the potential to be countertrend; however, if we trade above the USD 19,583 resistance, then the probability of the futures trading to a new low will decrease, suggesting caution.

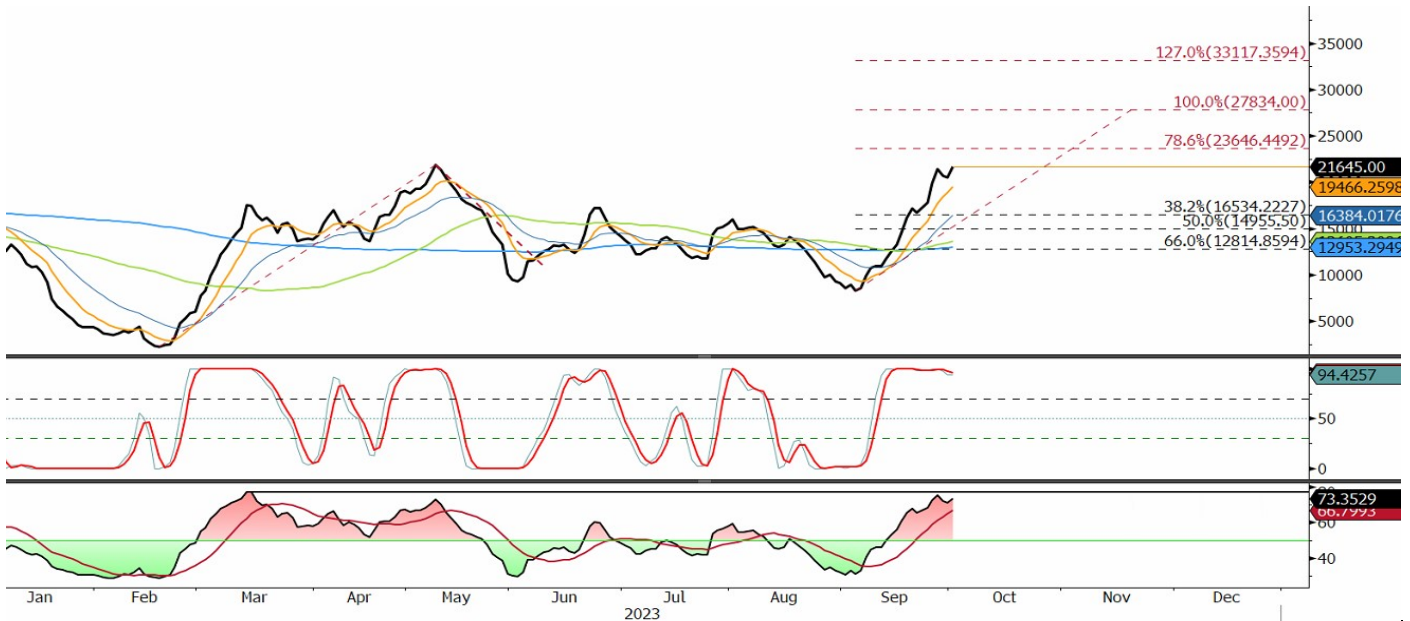
Q4 23

We did see a move lower on the back of the negative divergence last week but held above the USD 16,575 fractal support. The subsequent upside move meant the technical went from bullish neutral back to bullish on the new high. The intraday futures are in divergence with the RSI again, warning that we have the potential to see a momentum slowdown, which will need to be monitored. We remain a cautious bull; however, due to the divergence the futures are not considered a technical buy at these levels.

Cal 24

Technically bullish last week, the futures did move lower on the back of the negative divergence with the RSI but held above the USD 14,250 fractal support. The following upside move took the technical back into bullish territory. However, a new high will create a secondary divergence with the RSI, meaning we are cautious on upside breakouts above USD 14,950. Like the Q4, the futures are not considered a technical buy at these levels due to the divergence that is already in play, and the potential divergence ahead.

Capesize Index

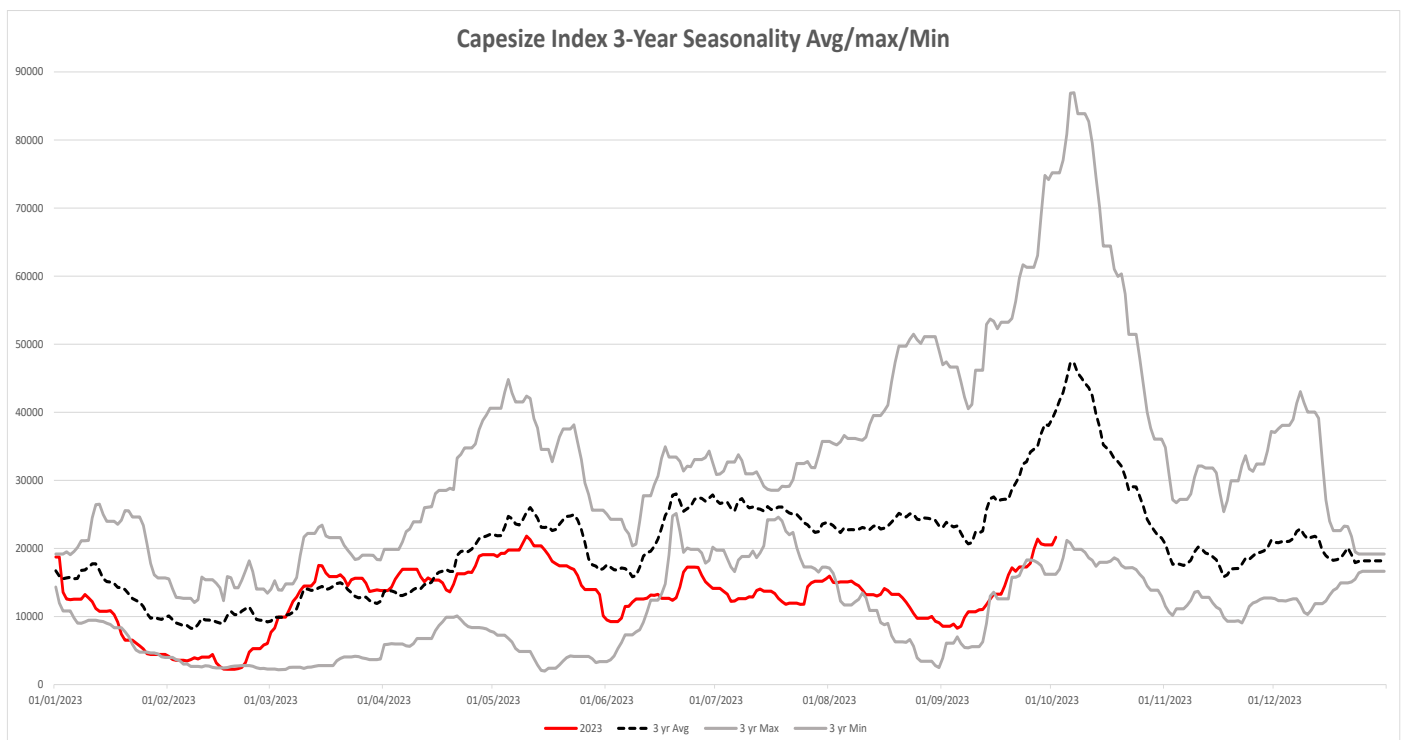


Support	Resistance	Current Price	Bull	Bear
S1	R1	21,645	RSI above 50	Stochastic overbought
18,608	22,432			
S2	R2			
17,971	23,069			
S3	R3			
16,534	23,646			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (73)
- Stochastic is overbought
- Technically bullish last week, we maintained our view that the USD 18,050 and USD 20,359 resistance levels were vulnerable, making USD 11,510 the key support to follow. A close below USD 16,583 would warn that support levels could come under pressure. The index continued to move higher, resulting in the resistance levels highlighted being broken. Price is above all key moving averages supported by the RSI above 50.
- Momentum based on price is aligned to the buy side, a close below USD 20,443 will mean it is aligned to the sell side. Downside moves that hold at or above USD 12,814 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI continues to suggest that momentum is supported; however, there is minor divergence in play that needs to be monitored, as it is warning we have the potential to see a momentum slowdown. If the divergence fails, then the USD 23,646 and USD 27,834 resistance levels could be tested and broken.



Capesize Nov 23 (1 Month forward)

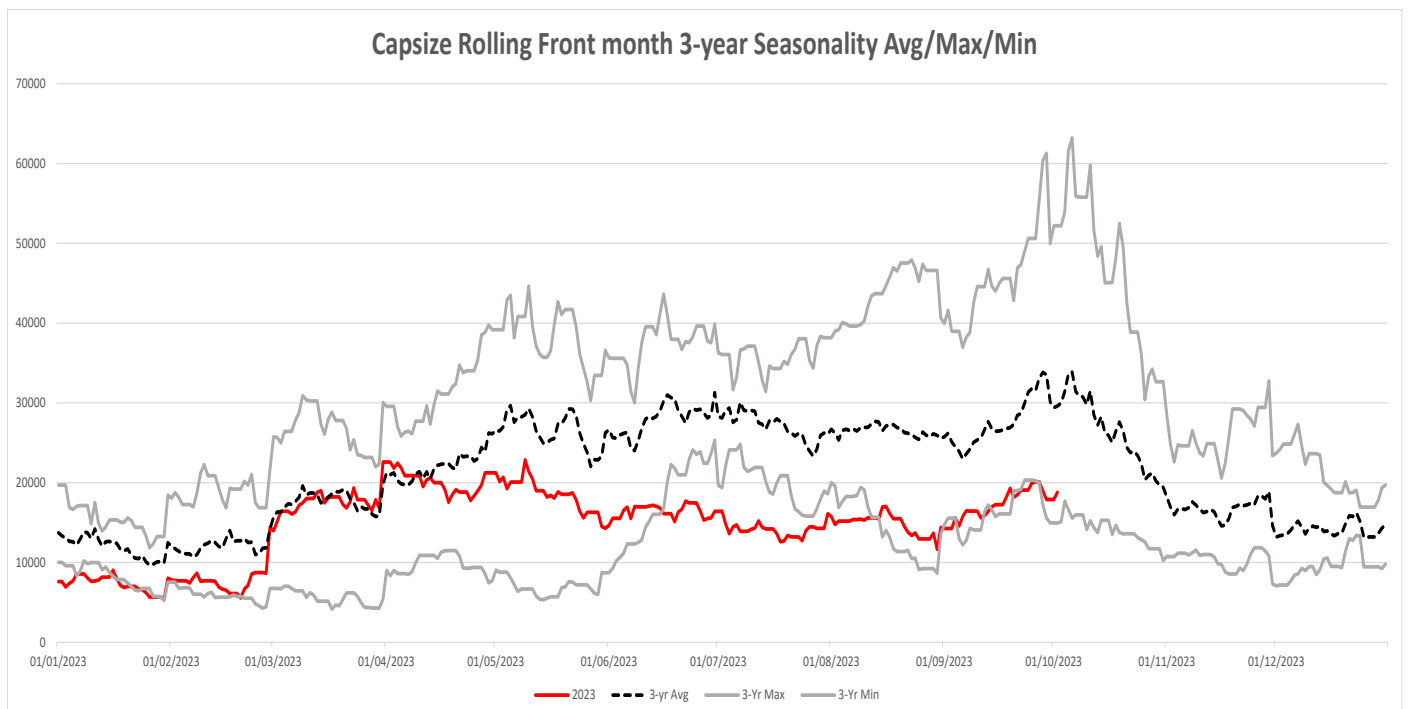


Support		Resistance		Current Price	Bull	Bear
S1	17,322	R1	18,975	18,800	RSI above 50	
S2	16,225	R2	19,583			
S3	14,737	R3	20,061			

Synopsis - Intraday

- Price is between the 8-21 period EMA's
- RSI is above 50 (56)
- Stochastic is above 50
- Technically bullish on the last report, the intraday Elliott wave cycle suggested we were on the 5th and final wave of this cycle with a potential upside target at USD 22,427. However, the new high meant the intraday technical was in divergence again, warning that we had the potential to see a momentum slowdown, which needed to be monitored. A cautious bull as the intraday was back in divergence. The futures traded to a low of USD 18,800 before trading back to new highs. We have now rolled into the November contract resulting in fractal support being broken, meaning the technical is bearish based on price; however, the futures have found buyside support in the last two days with price now trading between the 8-21 period EMA's whilst the RSI is above 50.
- Upside moves that fail at or below USD 19,583 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the break in support is warning that the Elliott wave cycle has potentially completed, implying the current upside move could possibly be countertrend. If the USD 19,583 resistance is broken, it will suggest caution, as the probability of the futures trading to a new low will have decreased.

Source Bloomberg



Capesize Q4 23 (Rolling front QTR)

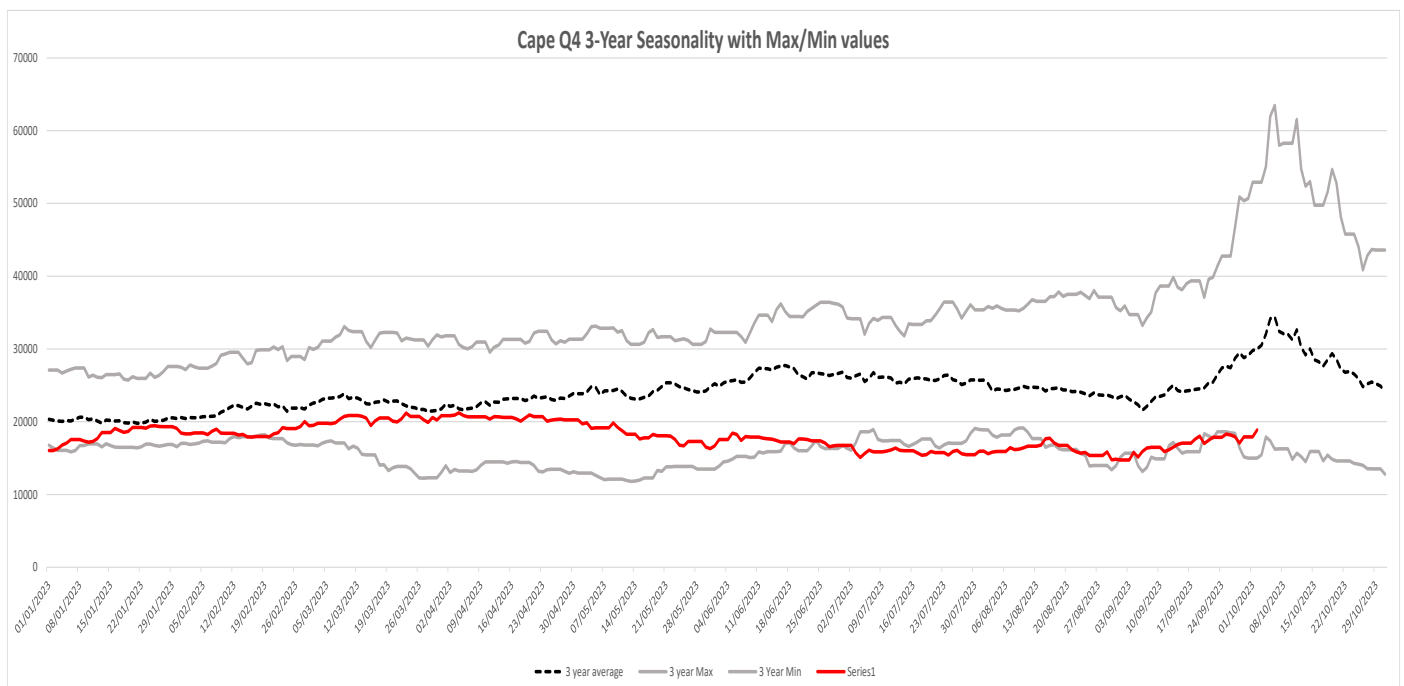


	Support	Resistance	Current Price	Bull	Bear
S1	17,607	R1	18,875	RSI above 50	
S2	17,354	R2			
S3	16,952	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is above 50 (61)
- Stochastic is above 50
- Technically bullish last week, like the rolling front month contract, we appeared to be on a bullish impulse Elliott wave 5 for this phase of the cycle. Our Elliott wave analysis suggested that we have a potential upside target at USD 18,676; however, the minimum requirement for phase/cycle completion had been met. The new high meant we had an intraday divergence in play, for this reason we were a cautious bull. The futures did correct on the back of the divergence taking price into neutral territory; however, we have since found bid support, resulting in the futures trading to a new high. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 17,607 will support a bull argument, below this level the technical will have a neutral bias.
- The futures remain technically bullish with the intraday RSI back in divergence, not a sell signal it is warning we have the potential to see a momentum slowdown and will need to be monitored. For this reason we remain a cautious bull at this point.



Capesize Cal 24



Support	Resistance	Current Price	Bull	Bear
S1	R1	14,775	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is above 50 (58)
- Stochastic is overbought
- Technically bullish previously, the pullback followed by a new high meant that we had an intraday divergence in play, not a sell signal, it warned that we had the potential to see a momentum slowdown which needed to be monitored. The futures traded to a low of USD 14,325 on the back of the negative divergence before finding buy-side support, meaning we held above the USD 14,250 fractal support. Price is above all key moving averages supported by the RSI above 50.
- Downside moves below USD 14,250 will mean that the futures are bearish based on price.
- Technically bullish, the deep pullback took the technical into neutral territory, whilst the upside move means we are bullish once again. However, above USD 14,950 will create a second divergence with the RSI, warning we have the potential to see a momentum slowdown at a new high, suggesting cautious on upside breakouts. For this reason, we do not consider the futures a technical buy at these levels.

