



# Capesize Technical Report

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## Index

Having noted on the 19/09/23 that the RSI move above 64 had warned that resistance levels were vulnerable, we have moved 79.5% higher. We remain in a bullish trending environment with both price and the RSI making new highs, warning downside moves have the potential to be countertrend in the near term. However, a move below our key support at USD 15,281 would be considered as deep, meaning the probability of the index trading to a new high will have decreased.

## Nov 23

Technically bearish on the back of the futures roll into November last week, the upside move above USD 19,583 meant that we had a neutral bias, whilst the move above USD 20,100 warned that the USD 20,875 fractal high could be tested and broken. We have now traded to a new high, meaning we are seeing an Elliott wave extension, implying we have a potential upside target at USD 22,791. However, the futures and the RSI are in divergence, not a sell signal it is a warning that we have the potential to see a momentum slowdown, which will need to be monitored.

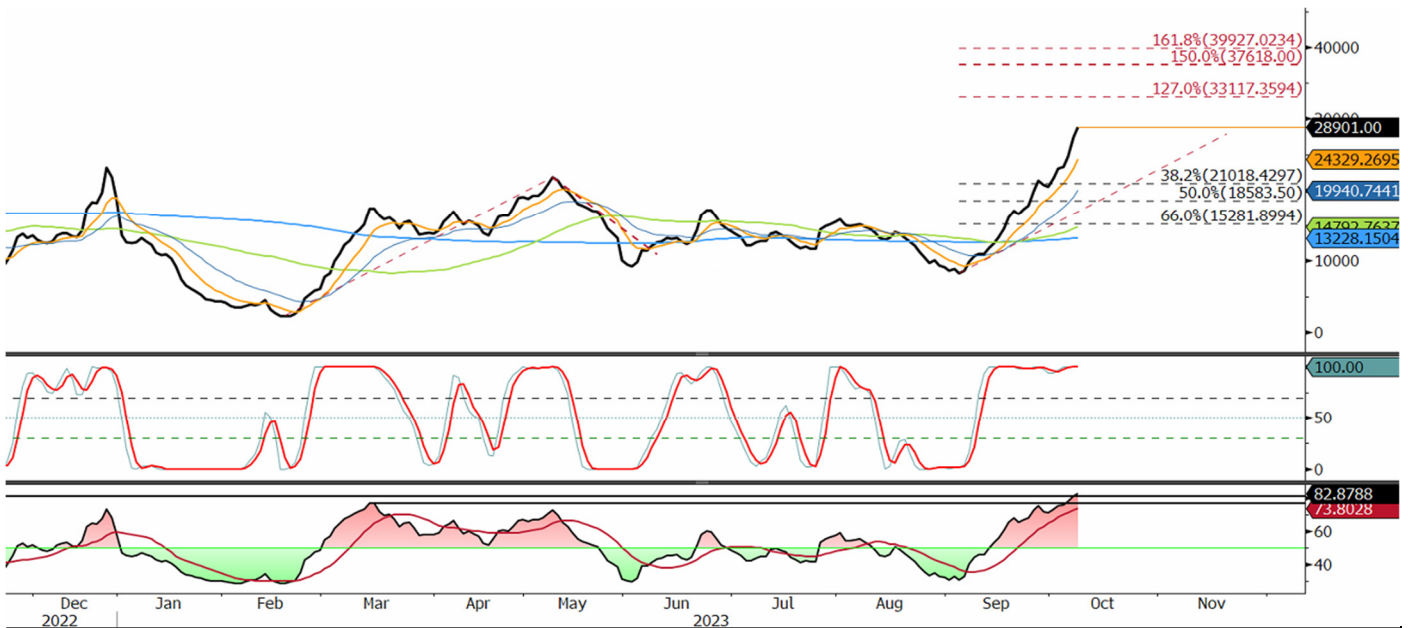
## Q4 23

We were a cautious bull last week due to the intraday technical being in divergence. However, the continued upside move in the futures has resulted in the divergence failing. This means that like the November contract we have seen the Elliott wave cycle extend, implying downside moves should in theory be countertrend at this point, making USD 18,382 the key support to follow. If broken, the depth of the pullback would suggest that the probability of the futures trading to a new high will have started to decrease.

## Cal 24

The futures were not considered a technical buy last week, as a new high would create a second divergence with the RSI, warning we had the potential to see a momentum slowdown on an upside breakout. We did trade to a new high, but we failed to hold, resulting in a move lower. We maintain our view that the futures are not considered a technical buy at these levels due to the divergences in play.

# Capesize Index

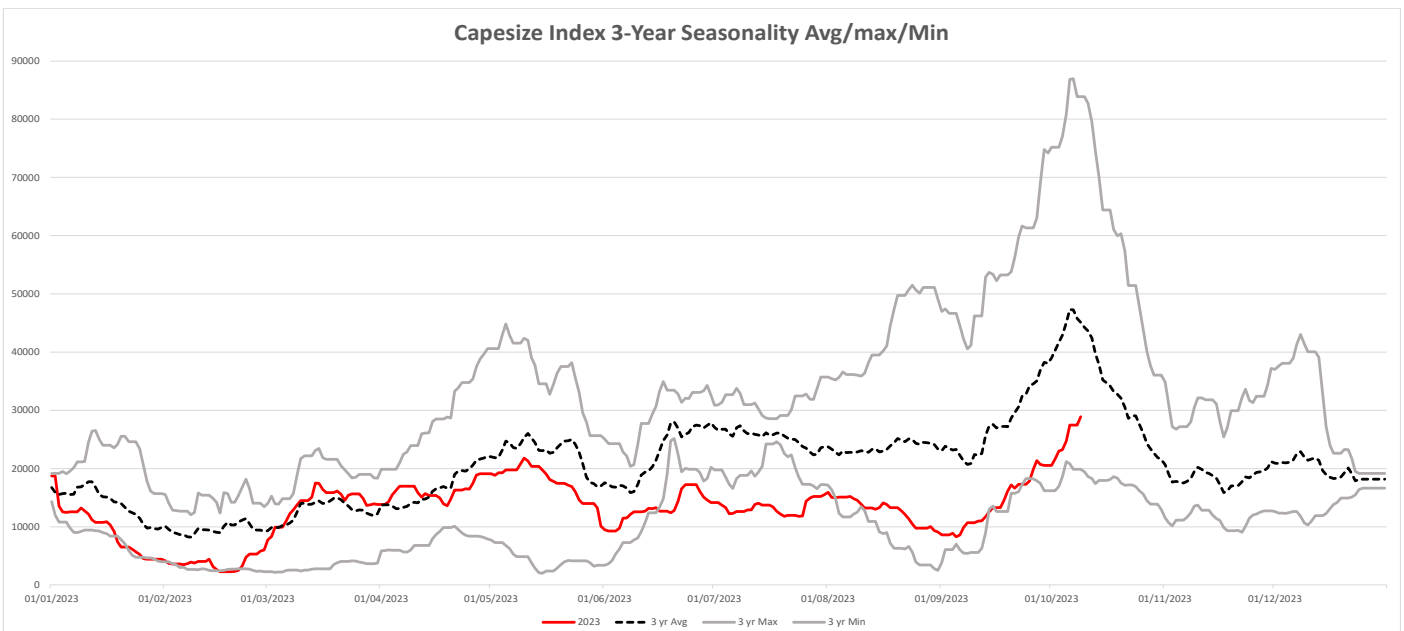


Support		Resistance		Current Price	Bull	Bear
S1	21,018	R1	33,147	28,901	RSI above 50	Stochastic overbought
S2	18,583	R2	37,618			
S3	15,281	R3	39,927			

### Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (82)
- Stochastic is overbought
- Technically bullish last week, the MA on the RSI continued to suggest that momentum was supported; however, there was a minor divergence in play that needed to be monitored, as it warned that we had the potential to see a momentum slowdown. If the divergence failed, then the USD 23,646 and USD 27,834 resistance levels could be tested and broken. The index continued to move higher with the divergence failing, resulting in a move above the USD 27,834 resistance. We are 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 24,344 will mean it is aligned to the sell side. Downside moves that hold at or above USD 15,281 will support a bull argument, below this level the technical will have a neutral bias.
- We remain in a bullish trending environment with the RSI making new highs, warning downside moves have the potential to be countertrend in the near-term, making USD 15,281 the key support to follow. If broken, the probability of the futures trading to a new high will start to decrease. We should highlight that since we noted in the technical report on the 19/09/23 that the RSI move above 64 warned that resistance levels were vulnerable, the index has moved 79.5% higher.



# Capesize Nov 23 (1 Month forward)

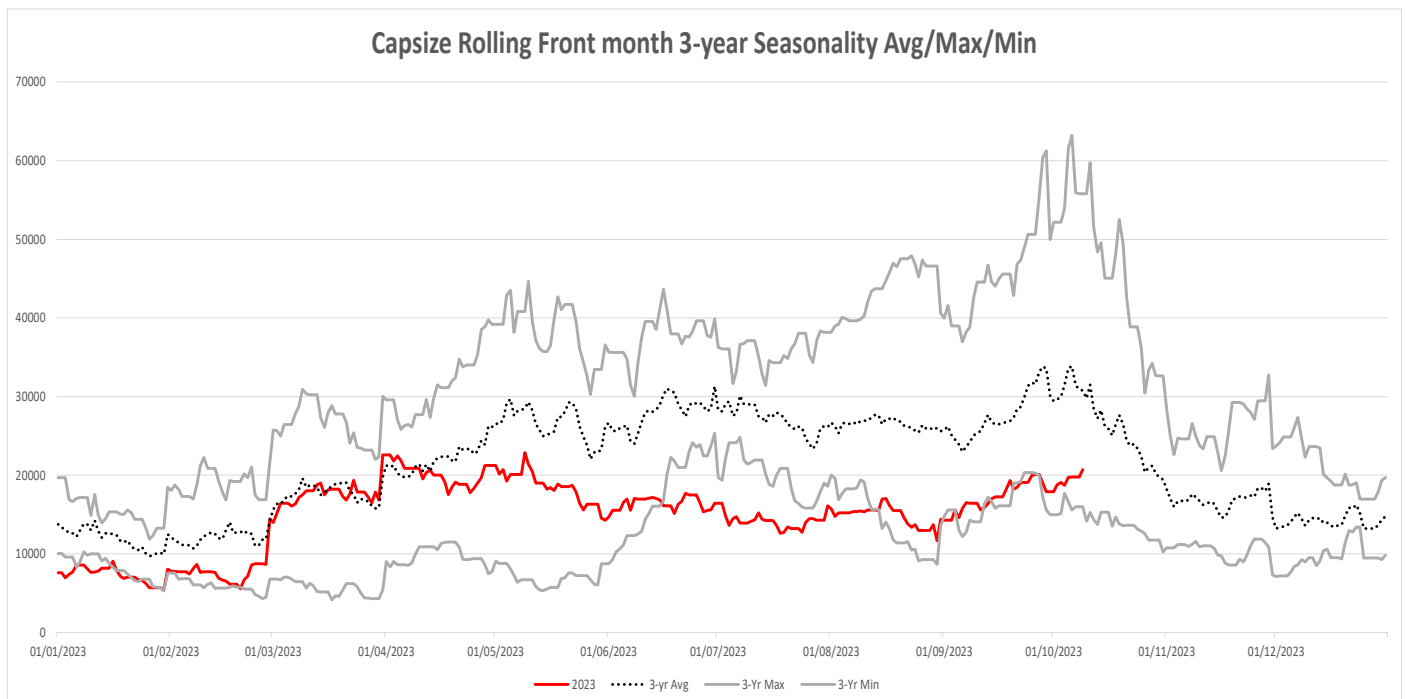


Support	Resistance	Current Price	Bull	Bear
S1	R1	20,450	RSI above 50	
S2	R2			
S3	R3			

## Synopsis - Intraday

- Price is above the 8-21 period EMA's
- RSI is above 50 (61)
- Stochastic is above 50
- Technically bearish last week, the break in support over the roll warned that the Elliott wave cycle had potentially completed, implying the upside move could possibly be countertrend. If the USD 19,583 resistance is broken, it would suggest caution, as the probability of the futures trading to a new low would have decreased. The futures traded above the USD 19,583 the following day, meaning the technical had a neutral bias, we noted in the morning report that the move above USD 20,100 warned that the USD 20,875 fractal high could be tested and broken. The futures have traded to a new high today, meaning we are back in bullish territory, price is above all key moving averages with the RSI above 50.
- Downside moves that hold at or above USD 18,392 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the upside moves to a new high means we are seeing Elliott wave extension, implying we now have the potential to trade as high as USD 22,791 within this phase of the cycle. However, the new high means we have a negative divergence with the RSI, not a sell signal, it is a warning that we have the potential to see a momentum slowdown, which will need to be monitored.

Source Bloomberg



# Capesize Q4 23 (Rolling front QTR)

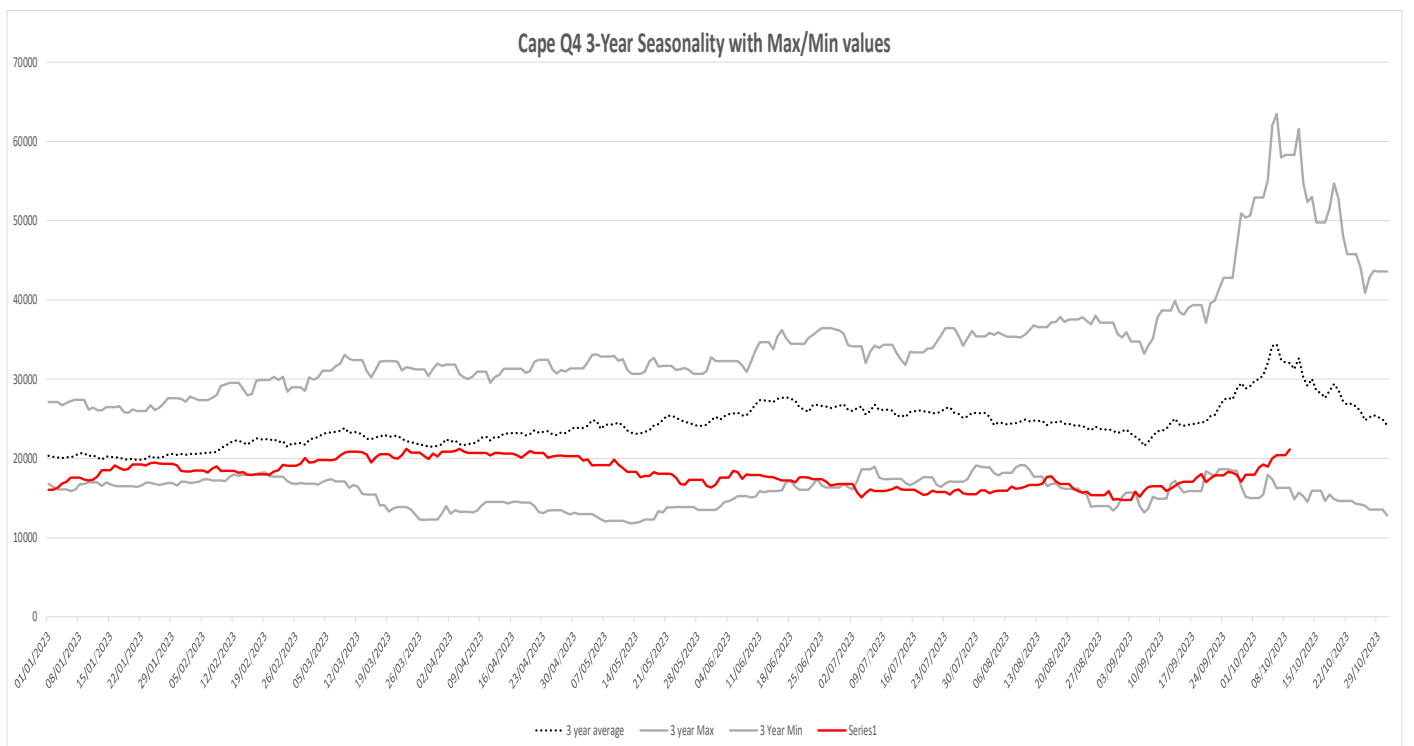


	Support	Resistance	Current Price	Bull	Bear	
S1	19,574	R1	21,137	RSI above 50	Stochastic overbought	
S2	19,068	R2				22,068
S3	18,382	R3				23,477

## Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is above 50 (69)
- Stochastic is overbought
- The futures remained technically bullish last week with the intraday RSI back in divergence, not a sell signal it warned that we had the potential to see a momentum slowdown which needed to be monitored. For this reason, we remained a cautious bull. The futures did produce a USD 1,500 pullback before holding above key support and trading up to new highs. The intraday divergence has now failed with price above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 18,382 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the intraday divergence failure would suggest that we are seeing an Elliott wave extension, meaning downside moves should be considered as countertrend, making USD 18,382 the key support to follow.



# Capesize Cal 24



Support	Resistance	Current Price	Bull	Bear
S1	R1	14,825	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is above 50 (57)
- Stochastic is overbought
- Technically bullish last week, the deep pullback had taken the technical into neutral territory, whilst the following upside move meant we were bullish once again. However, above USD 14,950 the futures would create a second divergence with the RSI, warning we have the potential to see a momentum slowdown on a new high, suggesting cautious on upside breakouts. For this reason, we did not consider the futures a technical buy at those levels. The futures traded to a high of USD 15,075 but the move failed to hold, resulting in price moving lower. Price is above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 14,580 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the upside move has created a second divergence with the RSI, resulting in the futures moving lower. We maintain our view that the futures are not considered a technical buy at these levels due to the divergences that are in play.

