



Capesize Technical Report

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Index

Technically bullish last week with price and the RSI both making new highs, warning downside moves had the potential to be countertrend. Having seen a small pullback, we are once again moving higher, but remain below the USD 28,901 fractal high. A new high has the potential to create a negative divergence with the RSI, suggesting caution on upside breakouts, as it will warn we could potentially see a momentum slowdown.

Nov 23

Technically bullish last week with a potential upside target at USD 22,791. We noted that the futures were in divergence with the RSI, not a sell signal it warned we had the potential to see a momentum slowdown which need to be monitored. We initially corrected, resulting in the futures entering neutral territory; however, bid support on Friday and this morning (16/10) means the technical is again bullish. Elliott wave analysis continues to suggest we have a potential upside target at USD 22,791, but like last week, a new high above USD 20,950 will create a negative divergence with the RSI. The potential divergence warns we could see a momentum slowdown on a new high, suggesting caution on upside breakouts.

Q1 24

We have rolled the Q4 into the Q1 24 as we are now into mid-October, meaning the first month of the quarter is averaging in. The technical is bullish but in a corrective phase with the MA on the RSI suggesting momentum is weak, warning resistance levels could hold if tested in the near-term, making USD 9,943 the key upside level to follow. Likewise, if we move lower but hold above USD 8,831 it will warn that there is potentially a larger wave cycle in play, if broken, then the probability of the futures trading to a new high will decrease.

Cal 24

Technically bullish but not a technical buy last week due to the two divergences that were in play. The futures traded to a low of USD 14,400 before finding light bid support. The depth of the pullback means that although still bullish we now have a neutral bias, whilst the MA on the RSI is warning that momentum remains weak at this point, meaning we continue to be cautious on upside moves.

Capesize Index

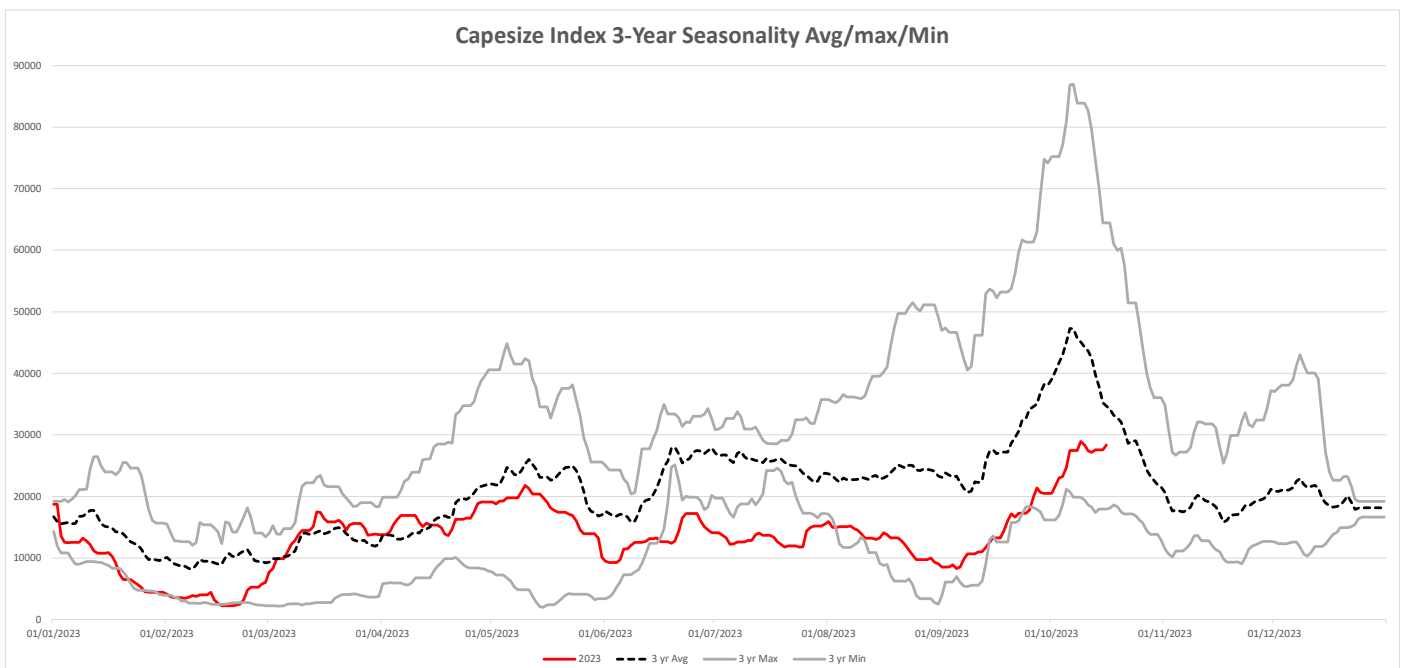


	Support	Resistance	Current Price	Bull	Bear
S1	21,018	R1	28,901	RSI above 50	Stochastic overbought
S2	18,583	R2	33,147		
S3	15,281	R3	37,618		

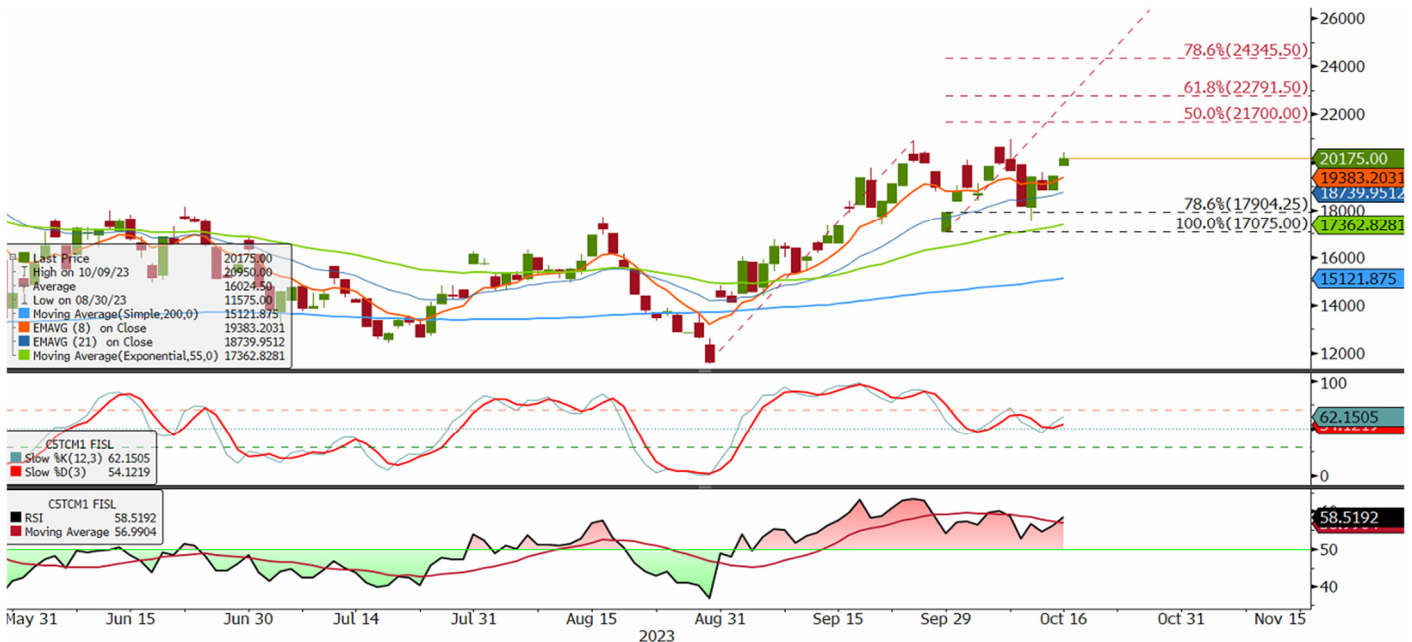
Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (76)
- Stochastic is overbought
- We remained in a bullish trending environment with the RSI making new highs last week, warning downside moves had 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 would start to decrease. We also highlighted 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 had moved 79.5% higher. We did see a small corrective move lower; however, the index has since found bid support after a small pullback. 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 27,461 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.
- Technically bullish, the index has held EMA support with price heading higher once again. However, we remain below the USD 28,901 fractal high at this point, if broken, it will potentially create a negative divergence with the RSI. Not a sell signal, it is a warning that we could see a momentum slowdown and will need to be monitored.



Capesize Nov 23 (1 Month forward)

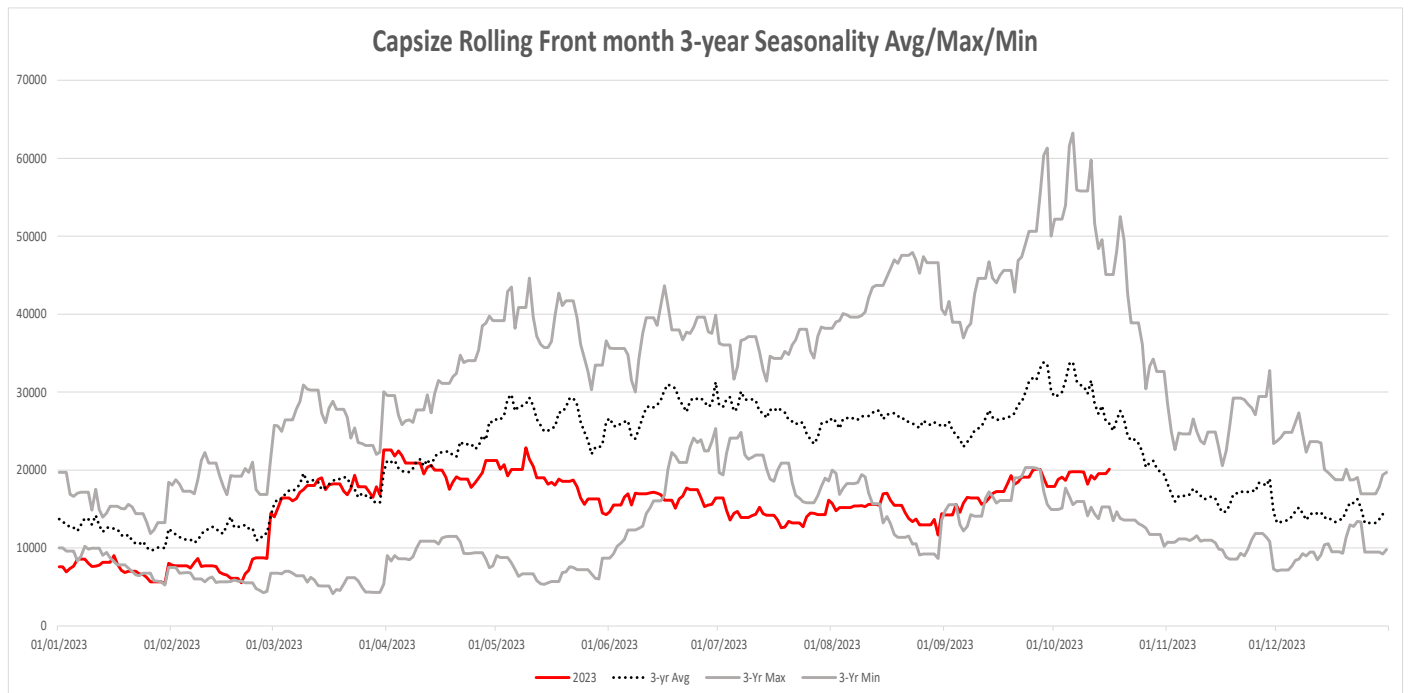


	Support	Resistance	Current Price	Bull	Bear
S1	18,392	R1	20,950	RSI above 50	
S2	17,904	R2	21,700		
S3	17,075	R3	22,791		

Synopsis - Intraday

- Price is above the 8-21 period EMA's
- RSI is above 50 (61)
- Stochastic is above 50
- Technically bullish last week, the upside moves to a new high meant that we were seeing Elliott wave extension, implying we had the potential to trade as high as USD 22,791 within this phase of the cycle. However, the new high meant that we had a negative divergence with the RSI, not a sell signal, it warned that we had the potential to see a momentum slowdown which needed to be monitored. We did see a technical pullback on the negative divergence that meant the futures although bullish had a neutral bias. However, buy-side support on Friday afternoon and on the open today means we are back in bullish territory. Price is above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 18,392 will support a bull argument (this support is back in play due to the move higher), below this level the technical will have a neutral bias.
- Technically bullish, we still have the potential to trade as high as USD 22,791 within that phase of the cycle. However, a new high will create further negative divergences with the RSI, not a sell signal it is a warning that we could see a momentum slowdown on a new high, suggesting caution on upside breakouts. For this reason, we are a cautious bull at these levels.

Source Bloomberg



Capesize Q1 24

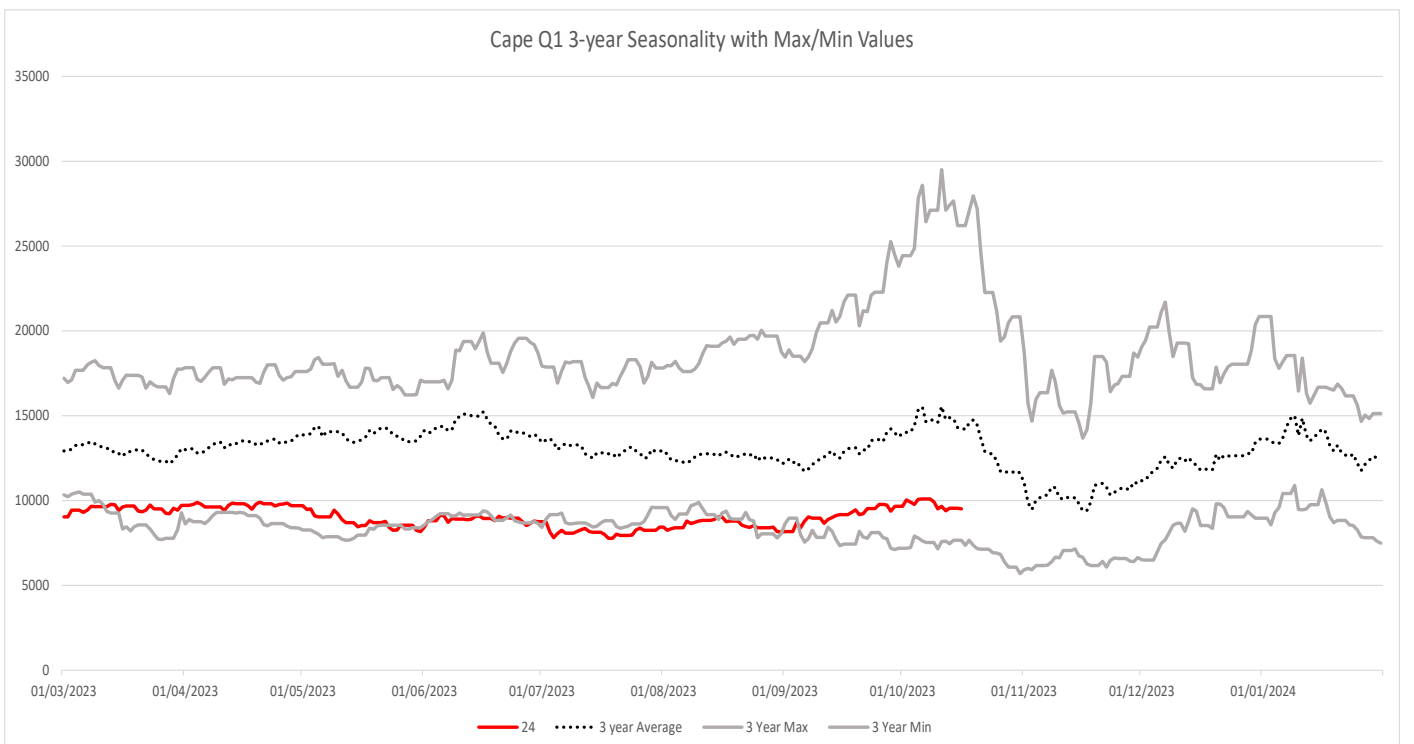


	Support	Resistance	Current Price	Bull	Bear
S1	9,187	R1	9,651	RSI above 50	
S2	8,831	R2	9,775		
S3	8,551	R3	9,943		

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA
- RSI is above 50 (53)
- Stochastic is oversold
- Technically bullish, the futures entered a corrective phase last week. Price is below the 8-21 period EMA's but we remain above the 55-period EMA with the RSI above 50.
- Downside moves that hold at or above USD 8,831 will support a bull argument, below this level the technical will have a neutral bias. Likewise, upside moves that fail at or below USD 9,943 will leave the futures vulnerable to further tests to the downside, above this level the USD 10,300 fractal high will be vulnerable.
- Technically bullish but in a corrective phasr, the MA on the RSI would suggest that momentum is weak at this point, warning resistance levels could hold if tested in the near-term, making USD 9,943 the key level to follow. Likewise, downside moves that hold at or above 8,831 will warn that there is potentially a larger wave cycle in play, if broken, then the probability of the futures trading to a new high will have started to decrease.



Capesize Cal 24



	Support	Resistance	Current Price	Bull	Bear
S1	14,485	R1	14,845	RSI above 50	
S2	14,325	R2	15,075		
S3	14,250	R3	15,252		

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is above 50 (53)
- Stochastic is oversold
- Technically bullish last week, the upside move had created a second divergence with the RSI, resulting in the futures moving lower. We maintained our view that the futures were not considered a technical buy due to the divergences that were in play. We traded to a low of USD 14,400 before finding light bid support today (16/10/23). Price is back above the 8-21 period EMA's with the RSI above 50.
- Upside moves that fail at or below USD 14,845 will leave the futures vulnerable to further tests to the downside, above this level the USD 15,075 fractal high could be tested.
- Due to the depth of the pullback last week, the futures although still bullish now have a neutral bias. The MA on the RSI is warning that momentum is weakening, meaning we remain cautious on upside moves at this point.

