



Capesize Technical Report

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Index

We warned in the last report that a move above the USD 28,901 level would create a negative divergence with the RSI. We traded to a high of USD 31,089 before entering a corrective phase on the back of the divergence. The new high created a fractal support that has been broken on the move lower, meaning the technical is now bearish. The MA on the RSI would suggest that momentum is weak at this point, implying upside resistance levels should hold if tested.

Dec 23

We were cautious on upside breakouts in the last report, as a new high would create further negative divergences with the RSI, warning we could see a momentum slowdown. We did move higher before correcting on the divergence, the technical is now bearish. The MA on the RSI implies that momentum is weak whilst both price and the RSI are making new lows, suggesting upside moves should be considered as countertrend at this point. The intraday RSI is now in divergence with price, warning we are starting to look a little overextended to the downside in the near-term.

Q1 24

Bullish but in a corrective phase last time, the MA on the RSI implied that momentum was weak, warning resistance levels could hold if tested. We had a small upside move that failed to hold, resulting in the price moving below key support levels. The technical is now bearish with a potential near-term downside target at USD 6,885. However, a new low will create a positive divergence with the RSI and a 5-wave pattern lower, meaning we could see a momentum slowdown in the near-term. However, based on the RSI making new lows, upside moves are considered as countertrend at this point.

Cal 24

Bullish with a neutral bias in the last report, we were cautious on upside moves due to the weakening momentum indicators. The futures broke to the downside, taking the technical into bearish territory. The current move lower is greater than 161.8% than that of the previous wave, implying it is bearish impulse, suggesting upside moves should now be considered as countertrend.

Capesize Index

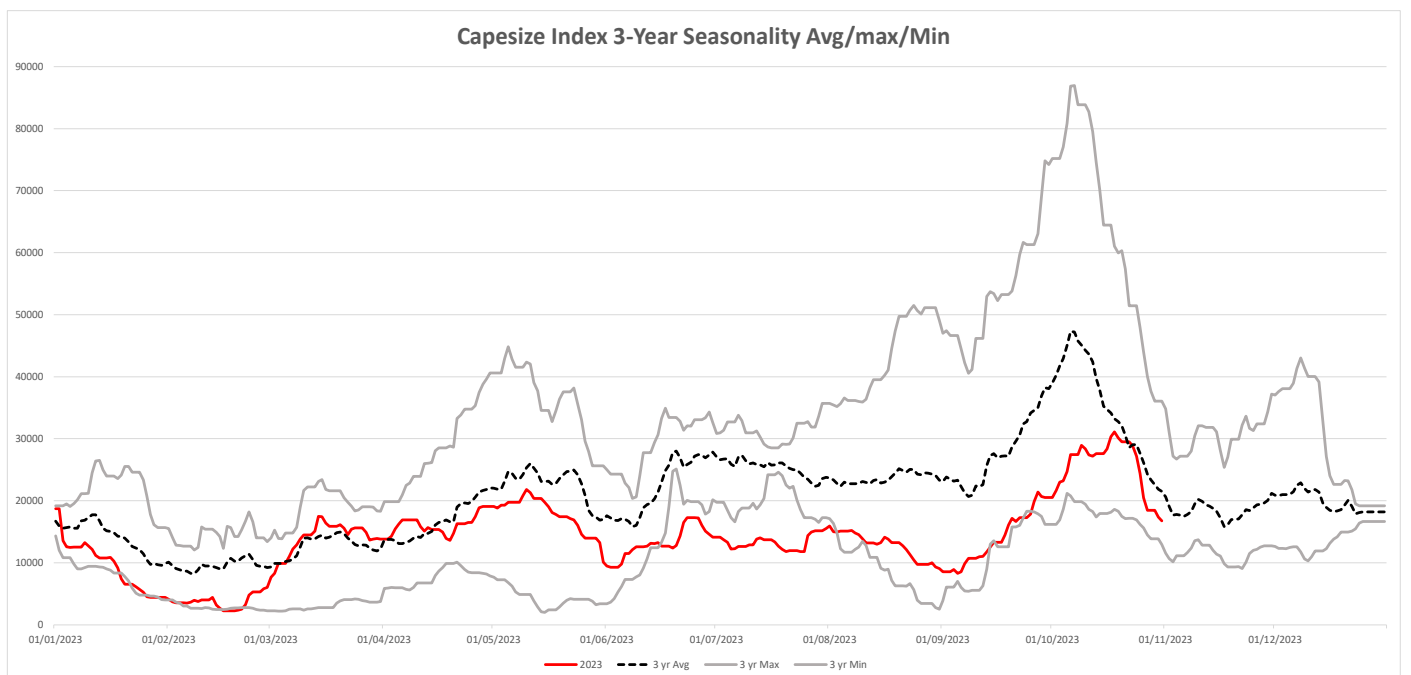


Support	Resistance	Current Price	Bull	Bear
S1	R1	16,750	Stochastic oversold	RSI below 50
15,281	22,227			
S2	R2			
12,681	23,919			
S3	R3			
8,266	26,213			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (39)
- Stochastic is oversold
- Technically bullish on the previous report, the index had held EMA support with price heading higher once again. However, we remained below the USD 28,901 fractal high, if broken, it had the potential create a negative divergence with the RSI. Not a sell signal, it warned that we could see a momentum slowdown which needed to be monitored. The index traded to a new high, resulting in the divergence coming into play, momentum slowed down with price entering a corrective phase.
- Momentum based on price is aligned to the sell side, a close above USD 20,345 will mean it is aligned to the buyside. Downside moves that hold at or above USD 15,281 will warn that there is potentially a longer-term bull cycle in play. Likewise, upside moves that fail at or below USD 26,213 will leave the index vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The downside move in the index has broken a fractal support that was created when the index made a new high, meaning we are bearish based on price. We are moving lower on the back of a negative divergence with the RSI, whilst the MA on the RSI would suggest that momentum remains weak at this point. For this reason, we are now cautious on upside moves from here.



Capesize Dec 23 (1 Month forward)

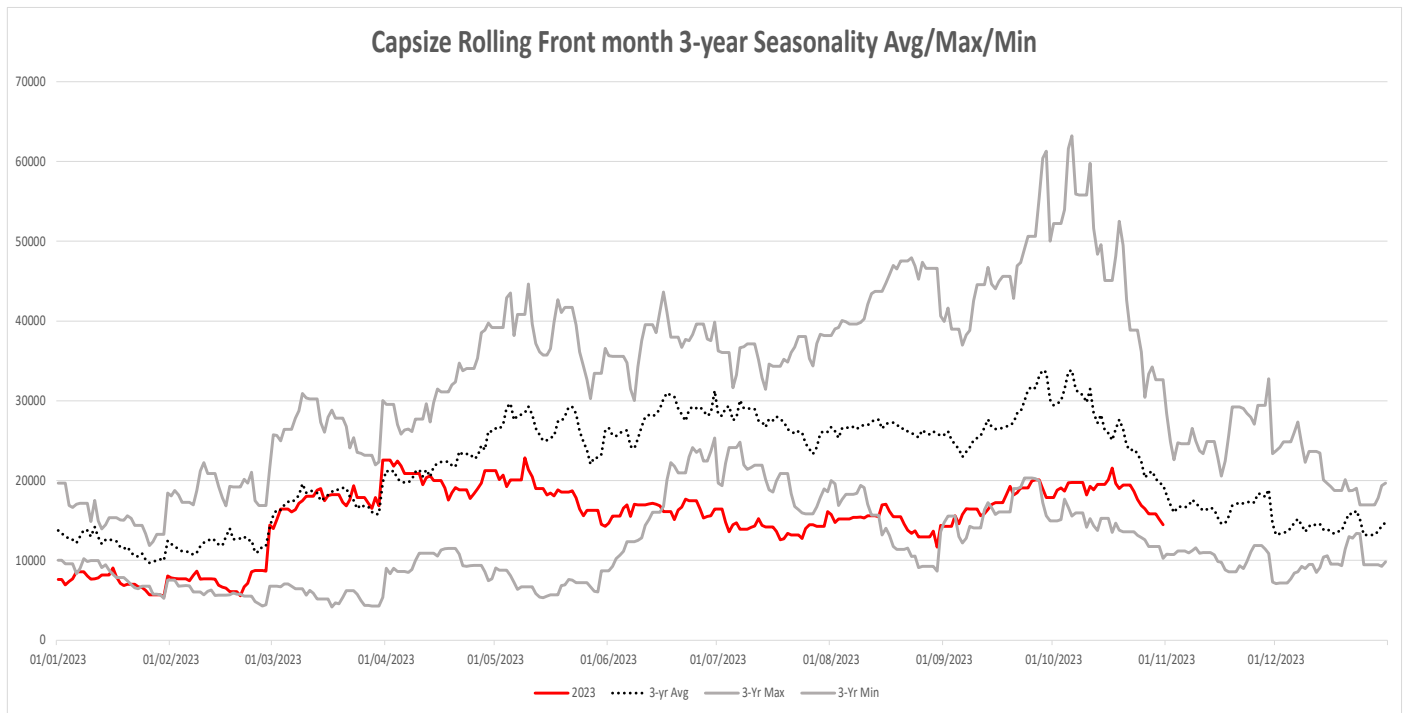


	Support	Resistance	Current Price	Bull	Bear
S1	12,671	R1	14,300	Stochastic oversold	RSI below 50
S2	11,575	R2			
S3	10,200	R3			

Synopsis - Intraday

- Price is below the 8-21 period EMA's
- RSI is below 50 (38)
- Stochastic is oversold
- Technically bullish last time, we still had the potential to trade as high as USD 22,791 within the current phase of the cycle. However, we noted that a new high would create further negative divergences with the RSI, not a sell signal it warned that we could see a momentum slowdown on a new high, suggesting caution on upside breakouts. For this reason, we are a cautious bull. The futures traded to a high of USD 21,750 before correcting aggressively on the back of the negative divergence with the RSI. Price is now below all key moving averages supported by the RSI below 50.
- Upside moves that fail at or below USD 19,217 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, both price and the RSI are making new lows, suggesting upside moves should be considered as counter-trend at this point. The MA on the RSI also suggests momentum is weak, implying resistance levels should hold if tested. We should note that the intraday RSI is now in divergence, meaning we could see sell side momentum slowdown in the near-term, warning we are starting to look a little overextended to the downside at this point.

Source Bloomberg



Capesize Q1 24

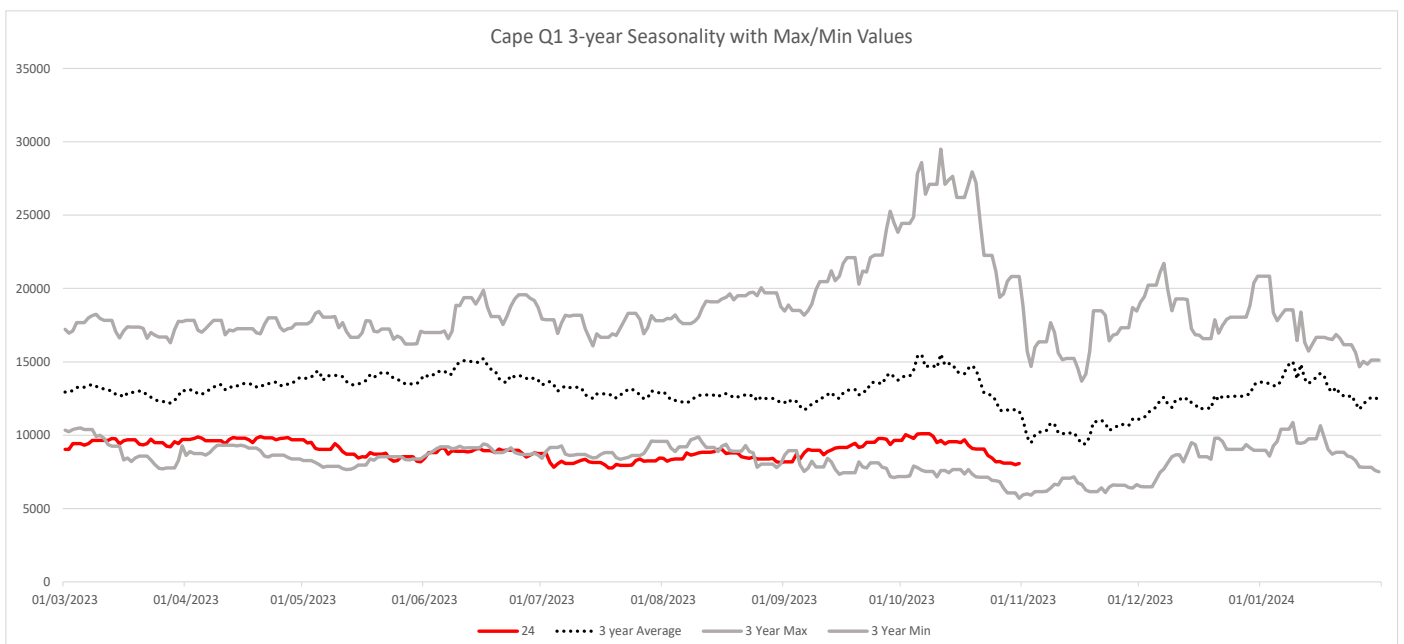


	Support	Resistance	Current Price	Bull	Bear
S1	7,850	R1	8,785	Stochastic oversold	RSI below 50
S2	7,464	R2	9,075		
S3	7,175	R3	9,467		

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA
- RSI is below 50 (36)
- Stochastic is oversold
- Technically bullish but in a corrective phase on the last report, the MA on the RSI suggested that momentum was weak, warning resistance levels could hold if tested in the near-term, making USD 9,943 the key level to follow. Likewise, downside moves that held at or above 8,831 would warn that there was 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. The futures traded to a high of USD 9,600, meaning resistance held, resulting in the futures trading through our key support to a low of USD 7,850. Price is below all key moving averages, supported by the RSI below 50.
- Upside moves that fail at or below USD 9,467 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish as the futures have broken fractal support. Downside moves below USD 7,850 will have a potential downside target at USD 6,885 for this phase of the cycle. However, a new low will create a positive divergence with the RSI and an intraday 5-wave pattern lower, meaning we could see a momentum slowdown. Based on the RSI making new lows, upside moves are considered as countertrend at this point.



Capesize Cal 24



	Support	Resistance	Current Price	Bull	Bear
S1	13,582	R1	13,978	Stochastic oversold	RSI below 50
S2	13,325	R2	14,111		
S3	13,165	R3	14,291		

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA
- RSI is below 50 (41)
- Stochastic is oversold
- Due to the depth of the pullback previously, the futures although still bullish had a neutral bias. The MA on the RSI warned that momentum was weakening, meaning we remained cautious on upside moves. The futures broke to the downside with price below all key moving averages supported by the RSI below 50.
- Upside moves that fail at or below USD 14,291 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the current move lower is greater than 161.8% than that of the previous wave, implying it is bearish impulse. This would suggest that upside moves should be considered as countertrend at this point.

Cape Calendar 3-year Seasonality Avg/Max/Min

