



Capesize Technical Report

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Index

Technically bearish last week, we were cautious on upside moves due to price moving lower on the back of a negative divergence last week whilst the MA on the RSI suggested momentum was weak. We have seen a move higher with price holding above a key longer-term support, implying resistance levels could be vulnerable in the near-term. However, the MA on the RSI continues to warn of momentum weakness, meaning we remain cautious on upside moves at this point.

Dec 23

Bearish on the last report, we noted that the futures were looking overextended to the downside, warning we could see a momentum slowdown. Having traded to a low of USD 13,000 the futures have moved higher on the back of an intraday positive divergence with the RSI. However, the MA on the RSI is suggesting momentum remains weak, whilst intraday Elliott wave analysis is implying that upside moves have the potential to be countertrend. For this reason, we are cautious on upside moves at this point.

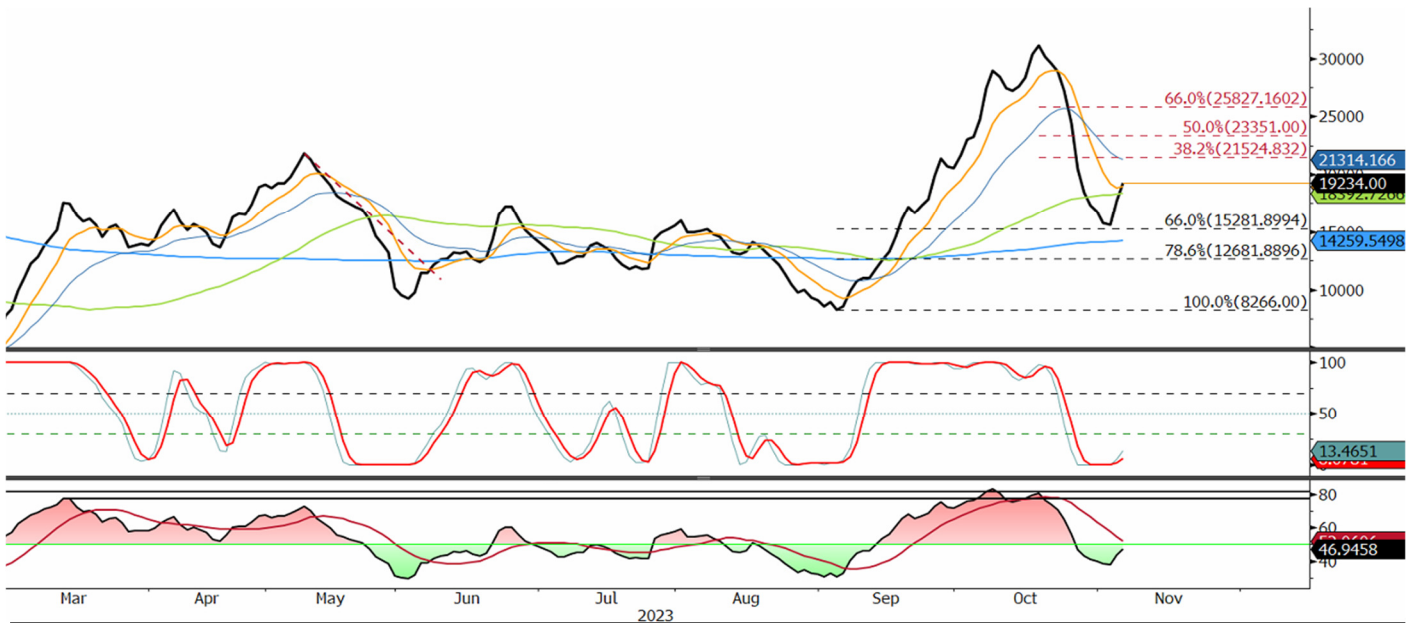
Q1 24

Technically bearish on a previous report, we noted that a new low would create a positive divergence with the RSI, warning we could see a momentum slowdown. However, based on the RSI making a new low, upside moves were considered as countertrend. Having traded to a low of USD 7,725 the futures have traded higher with price now testing the base of the Fibonacci resistance zone. The MA on the RSI continues to suggest that momentum is weak, whilst intraday Elliott wave analysis is indicating that the upside move is still potentially be countertrend.

Cal 24

The wave movement last week indicated that the downside move was bearish impulse, implying that upside moves should be considered as countertrend. Having traded to a low of USD 13,450 the futures have moved higher on an intraday divergence; price is now testing but holding below the 55-period EMA whilst the MA on the RSI suggests that momentum remains weak. We maintain our view that upside moves look to be countertrend; however, if we do start to trade above USD 14,258 then the probability of the futures trading to a new low will start to decrease based on the deep pullback.

Capesize Index

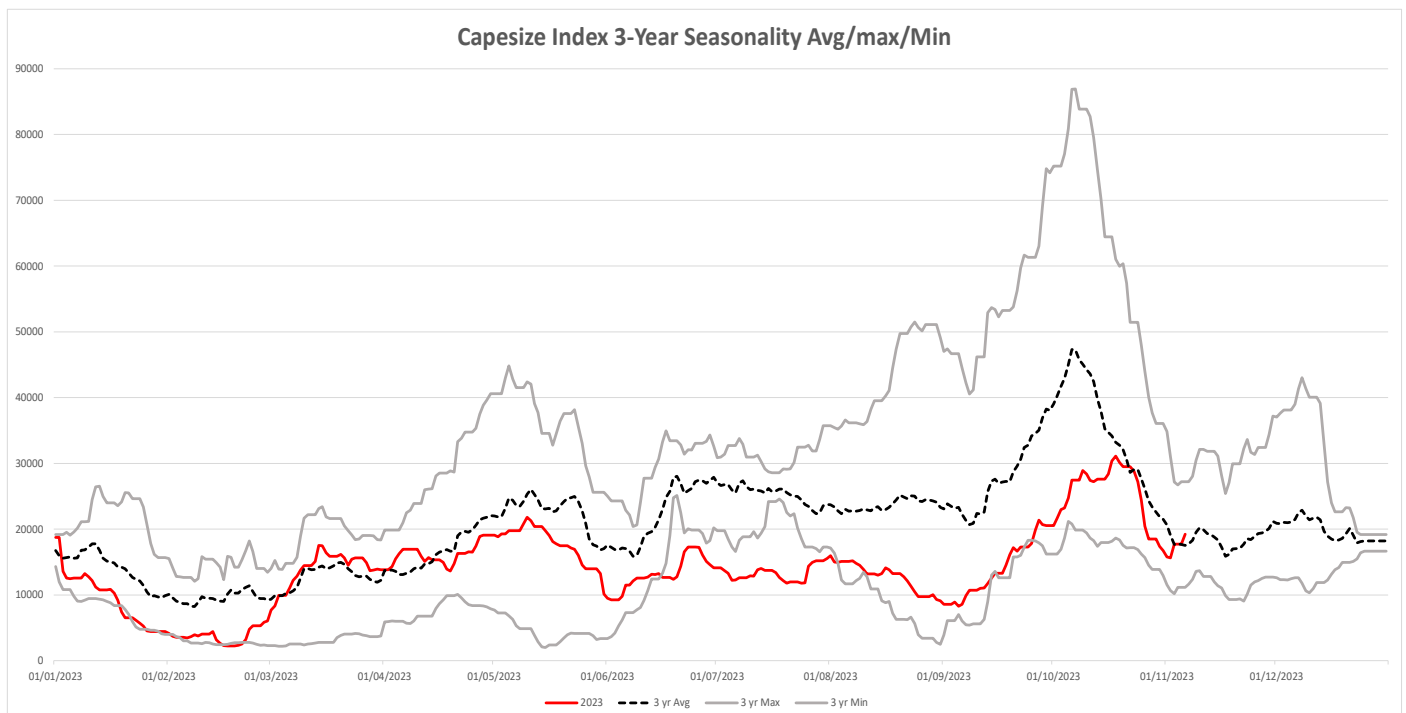


Support		Resistance		Current Price	Bull	Bear
S1	15,281	R1	21,524	19,234	Stochastic oversold	RSI below 50
S2	12,681	R2	23,351			
S3	8,266	R3	25,827			

Synopsis - Intraday

Source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is below 50 (46)
- Stochastic is oversold
- We noted last week that the downside move in the index had broken a fractal support that was created after the index made a new high, meaning we were bearish based on price. We were moving lower on the back of a negative divergence with the RSI, whilst the MA on the RSI suggested that momentum remained weak. For this reason, we were cautious on upside moves. The index is moving higher with price between the 8-21 period EMA's with the RSI still below 50.
- The upside moves means that momentum based on price is now aligned to the buy side, a close below USD 16,569 will mean it is aligned to the sell side. 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 25,827 will leave the index vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- We remain technically bearish, the index has held above key support, leaving resistance levels vulnerable in the near term. However, the MA on the RSI continues to warn that momentum remains weak, suggesting caution on upside moves. If the USD 25,827 resistance is broken, then the probability of the index trading to a new low will start to decrease.



Capesize Dec 23 (1 Month forward)

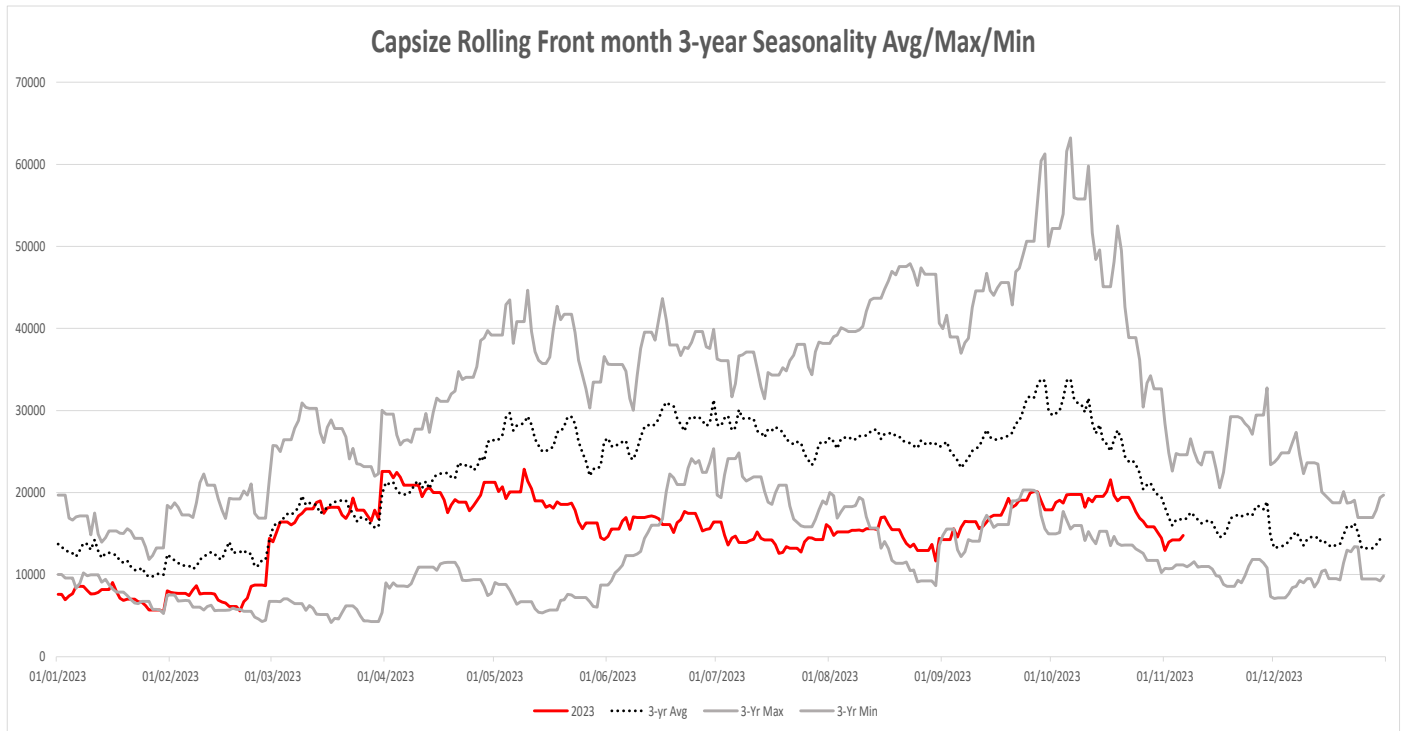


	Support	Resistance	Current Price	Bull	Bear
S1	12,671	R1	14,750	Stochastic oversold	RSI below 50
S2	11,575	R2			
S3	10,200	R3			

Synopsis - Intraday

- Price is below the 8-21 period EMA's
- RSI is below 50 (42)
- Stochastic is oversold
- Technically bearish last week, both price and the RSI were making new lows, suggesting upside moves should be considered as countertrend. The MA on the RSI also suggests momentum was weak, implying resistance levels should hold if tested. We noted that the intraday RSI was 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. The futures traded to a low of USD 13,000 before finding buyside support. Price is below the 8-21 period EMA's with the RSI below 50.
- Upside moves that fail at or below USD 18,775 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- We remain technically bearish with price moving higher having been overextended to the downside. The MA on the RSI continues to suggest that momentum remains weak, whilst intraday Elliott wave analysis is indicating that the current upside move looks to potentially be countertrend. The technical suggests caution on upside moves at this point.

Source Bloomberg



Capesize Q1 24

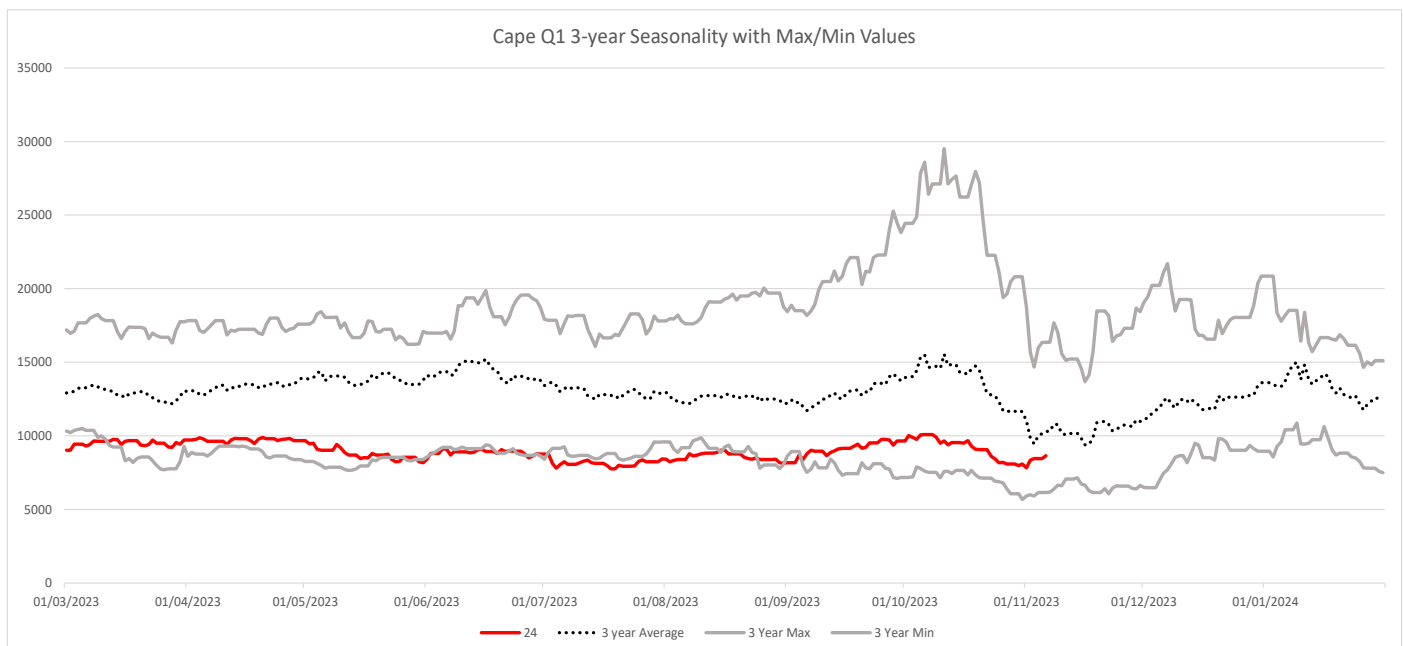


	Support	Resistance	Current Price	Bull	Bear
S1	7,800	R1	8,708		
S2	7,500	R2	9,012		RSI below 50
S3	7,199	R3	9,424		

Synopsis - Intraday

Source Bloomberg

- Price is between the 8-21 period EMA
- RSI is below 50 (47)
- Stochastic is below 50
- Technically bearish last week as the futures had broken fractal support. Downside moves below USD 7,850 would have a potential downside target at USD 6,885 for this phase of the cycle. However, a new low would 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 were considered as countertrend. The futures traded to a new low (USD 7,725), creating an intraday positive divergence, resulting in the futures moving higher. Price is between the 8-21 period EMA's with the RSI below 50.
- Upside moves that fail at or below USD 9,424 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the futures are moving higher on the back of an intraday positive divergence with the RSI. However, the MA continues to suggest that momentum is weak, whilst intraday Elliott wave analysis would suggest that upside moves have the potential to be countertrend. A move above USD 9,424 will be deep into the last bear wave, warning that the probability of the futures trading to a new high would start to decrease.



Capesize Cal 24



	Support	Resistance	Current Price	Bull	Bear
S1	13,582	R1	14,258	Stochastic oversold	RSI below 50
S2	13,325	R2	14,412		
S3	13,165	R3	14,675		

Source Bloomberg

Synopsis - Intraday

- Price is above the 8-21 period EMA
- RSI is below 50 (49)
- Stochastic is below 50
- Technically bearish last week, the current move lower was greater than 161.8% than that of the previous wave, implying it was bearish impulse. This would suggest that upside moves should be considered countertrend. The futures traded to a low of USD 13,450 before moving higher on the back of an intraday positive divergence with the RSI. Price is above the 8-21 period EMA's with the RSI neutral at 49.5.
- Upside moves that fail at or below USD 14,258 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- We remain bearish with the futures currently testing but holding below the 55-period EMA. Based on the downside wave last week being greater in length than 161.8% than that of the previous wave, we maintain our view that the current upside move has the potential to be countertrend. If we do see a move above USD 14,258, then the probability of the futures trading to a new low, will start to decrease. The RSI is above its MA, but the MA continues to warn of momentum weakness at this point.

