



Capesize Technical Report

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Index

The technical remains bearish; however, the index continues to move higher having held above key support previously. We are now above all key moving averages with the RSI above 50, the MA on the RSI continues to warn that momentum remains weak at this point, meaning we remain cautious on upside moves. Key resistance remains unchanged at USD 25,827, above this level the probability of the index trading to a new low will start to decrease.

Dec 23

Technically bearish last week, the futures were moving higher having been overextended to the downside. Our intraday Elliott wave analysis suggested that upside moves should be considered as countertrend, implying caution on upside moves. The futures continued to move higher with price now testing the based of the Fibonacci resistance zone. The MA on the RSI 4-hour technical indicates that momentum remains supported at this point; however, a move above USD 16,375 will create a negative divergence with the RSI on the 1-hour technical, warning we could be seeing the early signs of a momentum slowdown. For this reason, we remain cautious on upside moves at this point. If the futures trade above USD 18,775 then the probability of the futures trading to a new low will start to decrease.

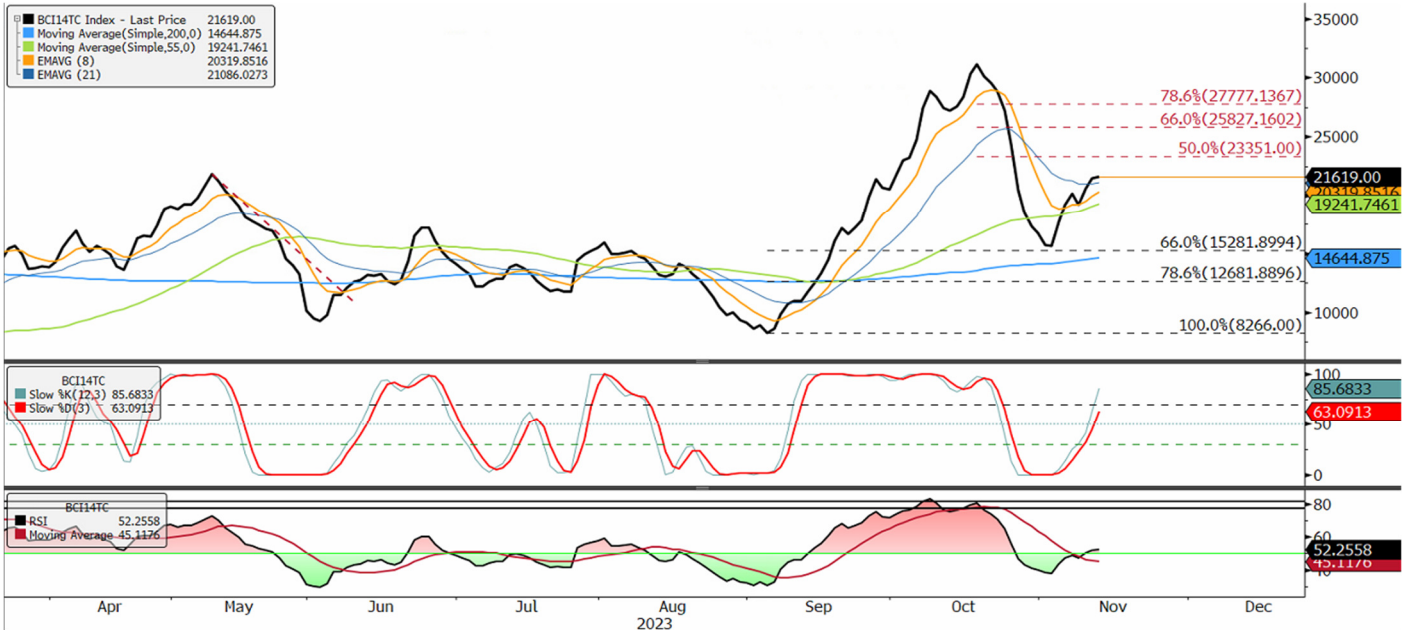
Q1 24

Having moved higher on the back of an intraday positive divergence previously, our intraday Elliott wave analysis had suggested that upside moves looked like they were potentially countertrend, whilst the MA on the RSI warned of momentum weakness. We have continued to move higher with the futures now approaching our key resistance at USD 9,424, if broken then the probability of the futures trading to a new low will start to decrease. The MA on the RSI does suggest that momentum is supported at this point; however, we are approaching a resistance zone that formed in late Sep/early October that means we maintain a cautious view on upside moves at this point.

Cal 24

Based on the strength of the bear wave last week we had the technical as bearish impulse, implying upside moves were potentially countertrend last week. However, the upside move has been deeper than expected, meaning the probability of the futures trading to a new low has started to decrease. For this reason, we now have a neutral view.

Capesize Index

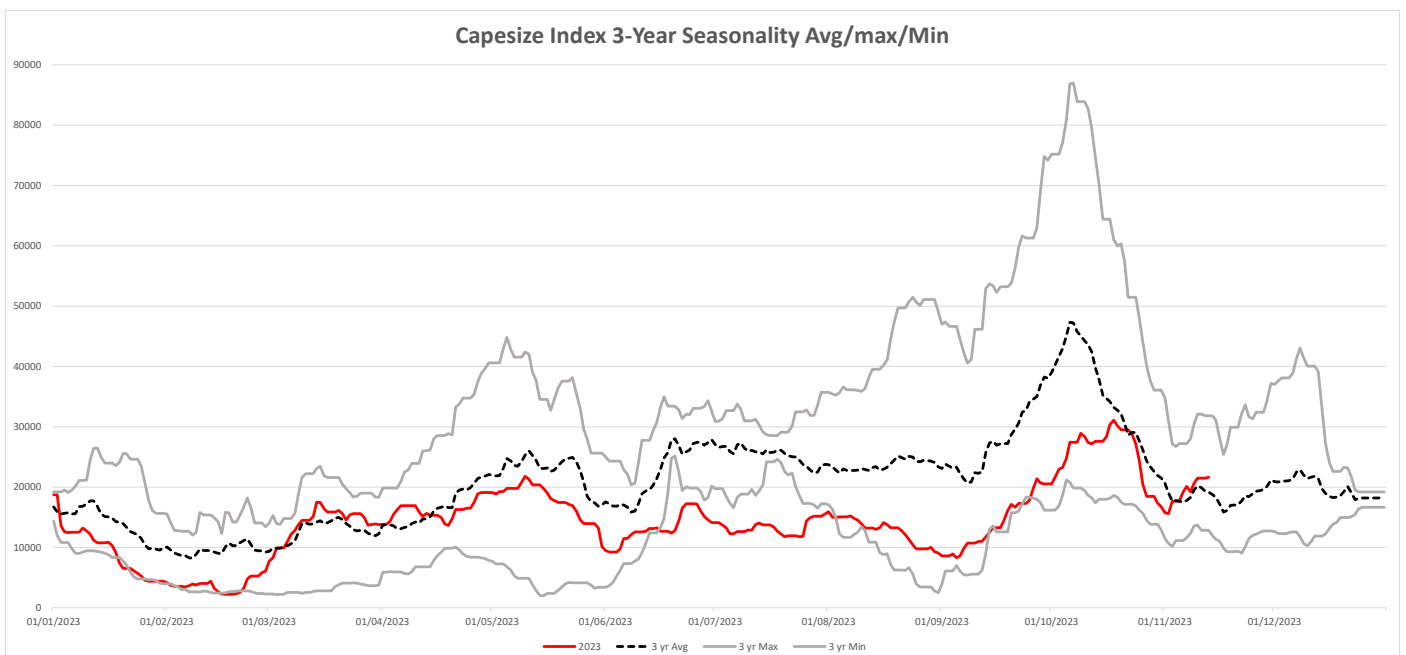


	Support	Resistance	Current Price	Bull	Bear
S1	15,281	R1	23,351	RSI above 50	
S2	12,681	R2	25,827		
S3	8,266	R3	27,777		

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (52)
- Stochastic is above 50
- We remained technically bearish last week with the index holding above key support levels, leaving resistance levels vulnerable in the near term. However, the MA on the RSI continued to warn that momentum remained weak, suggesting caution on upside moves. If the USD 25,827 resistance was broken, then the probability of the index trading to a new low would start to decrease. We did see a small pullback, but price held above the 8-period EMA support, resulting in a move higher. Price is above all key moving averages with the RSI above 50.
- Momentum based on price is aligned to the buyside, a close below USD 20,088 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.
- Technically bearish, having previously held above key support we have seen a move higher with price now trading in the Fibonacci resistance zone. The RSI is now above its MA; however, the MA continues to suggest that momentum remains weak at this point, for this reason we maintain a cautious view on upside moves. Key resistance remains unchanged at USD 25,827, above this level the probability of the index trading to a new low will start to decrease.



Capesize Dec 23 (1 Month forward)

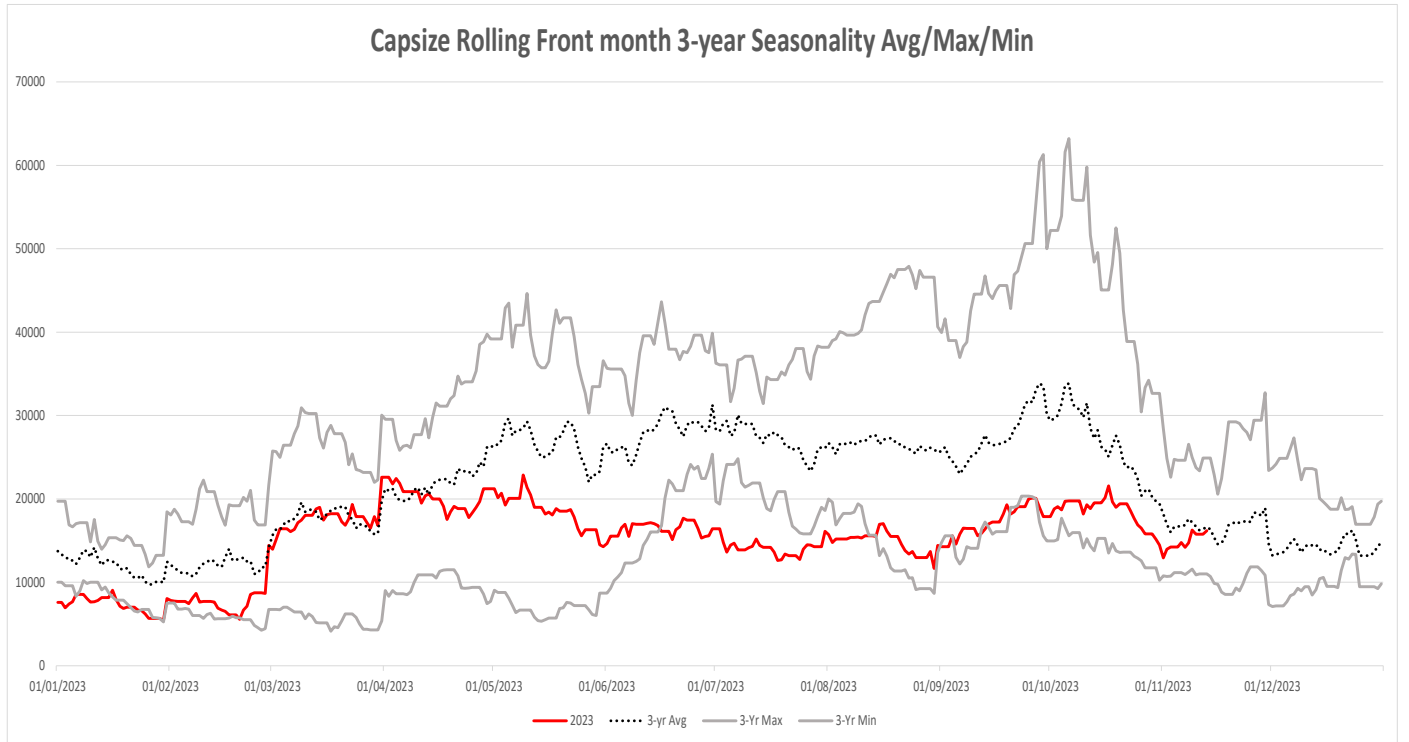


Support	Resistance	Current Price	Bull	Bear
S1	R1	16,200		RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

- Price is between/above the 8-21 period EMA's
- RSI is below 50 (48)
- Stochastic is above 50
- We remained technically bearish last week with price moving higher having been overextended to the downside. The MA on the RSI continued to suggest that momentum remained weak, whilst intraday Elliott wave analysis indicated that the current upside move looked to potentially be countertrend. The technical suggested caution on upside moves. We continued to move higher with price now testing the base of the Fibonacci resistance zone. Price is trading just above the 21-period EMA 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.
- Unchanged on the technical, we remain bearish with intraday Elliott wave analysis suggesting upside moves should be considered as countertrend. The MA on the RSI on the intraday technical implies that momentum remains supported at this point; however, the 1-hour RSI will be in divergence with the RSI above USD 16,375, indicating we are seeing warning signs that momentum could soon start to slow down, implying caution on upside moves above this level.

Source Bloomberg



Capesize Q1 24

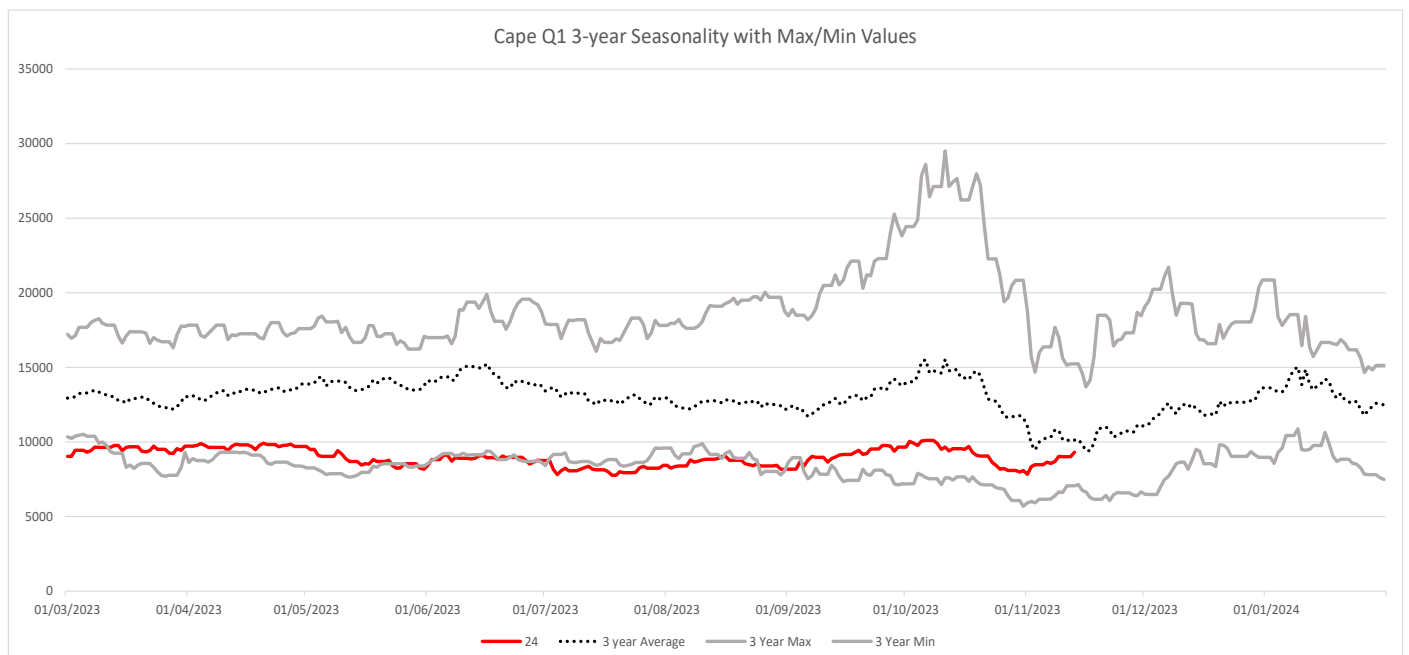


	Support	Resistance	Current Price	Bull	Bear
S1	8,698	R1	9,300	RSI above 50	Stochastic overbought
S2	8,512	R2			
S3	8,260	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is above 50 (55)
- Stochastic is overbought
- Technically bearish, the futures were moving higher on the back of an intraday positive divergence with the RSI. However, the MA on the RSI continued to suggest that momentum was weak, whilst intraday Elliott wave analysis suggested that upside moves had the potential to be countertrend. A move above USD 9,424 would be deep into the last bear wave, warning that the probability of the futures trading to a new high would start to decrease. The futures continued to move higher with price above all key moving averages supported by the RSI above 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 with intraday Elliott wave analysis continuing to suggest that the upside move is potentially countertrend. The futures are nearing the USD 9,424 resistance, if broken, then the probability of the futures trading to a new high will start to decrease. The MA on the RSI has turned higher, implying momentum is supported; however, price is approaching a resistance area that formed between the second half of Sep and the first half of Dec (USD 9,450) that continues to suggest caution on upside moves at this point.



Capesize Cal 24



	Support	Resistance	Current Price	Bull	Bear
S1	13,747	R1	14,325	RSI above 50	Stochastic overbought
S2	13,582	R2			
S3	13,450	R3			

Source Bloomberg

Synopsis - Intraday

- Price is above the 8-21 period EMA
- RSI is above 50 (53)
- Stochastic is overbought
- We remained bearish on the last report with the futures testing but holding below the 55-period EMA. Based on the downside previously being greater than 161.8% in length than that of the previous wave, we maintained our view that the current upside move has the potential to be countertrend. If we did see a move above USD 14,258, then the probability of the futures trading to a new low, would start to decrease. The RSI was above its MA, but the MA continues to warn of momentum weakness. The futures have continued to move higher resulting in key resistance being broken, we remain above the 8-21 period EMA's with the RSI now above 50.
- Downside moves that hold at or above USD 13,747 will support a near-term bull argument, below this level the USD 13,450 fractal low will start to look vulnerable.
- Technically bearish, we now have a neutral bias, the depth of the pullback is warning that the probability of the futures trading to a new low has started to decrease. The MA on the RSI has started to turn higher, implying momentum is supported at this point. The pullback has been deeper than expected, as the downside move implied that the technical was bearish impulse, suggesting the upside move would potentially be countertrend. Based on the unexpected strength of the upside move, we now have a neutral view.

