



# Capesize Technical Report

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

## Index

We noted last week that the RSI move above 64 had historically been a powerful signal, warning that there was further upside within this move. We have seen a strong upside move with price moving just under USD 23,000 higher. The current upside wave is greater than 161.8% than that of the previous wave with the RSI making new highs, suggesting downside moves have the potential to be countertrend.

## Jan 24

In all honesty, you will get a better picture on the intraday technical, as we are just looking at the Jan outright. However, the Dec futures traded USD 17,000 higher whereas the rolling contract has resulted in the futures producing a USD 12,000 gap lower in the market. Looking at the outright and the rolling technical, it looks like that downside moves on the outright contract will be countertrend, based on intraday wave analysis. This would suggest that we are looking at a 3-wave pattern lower on the rolling chart that should in theory be followed by an upside move above the USD 21,750 high.

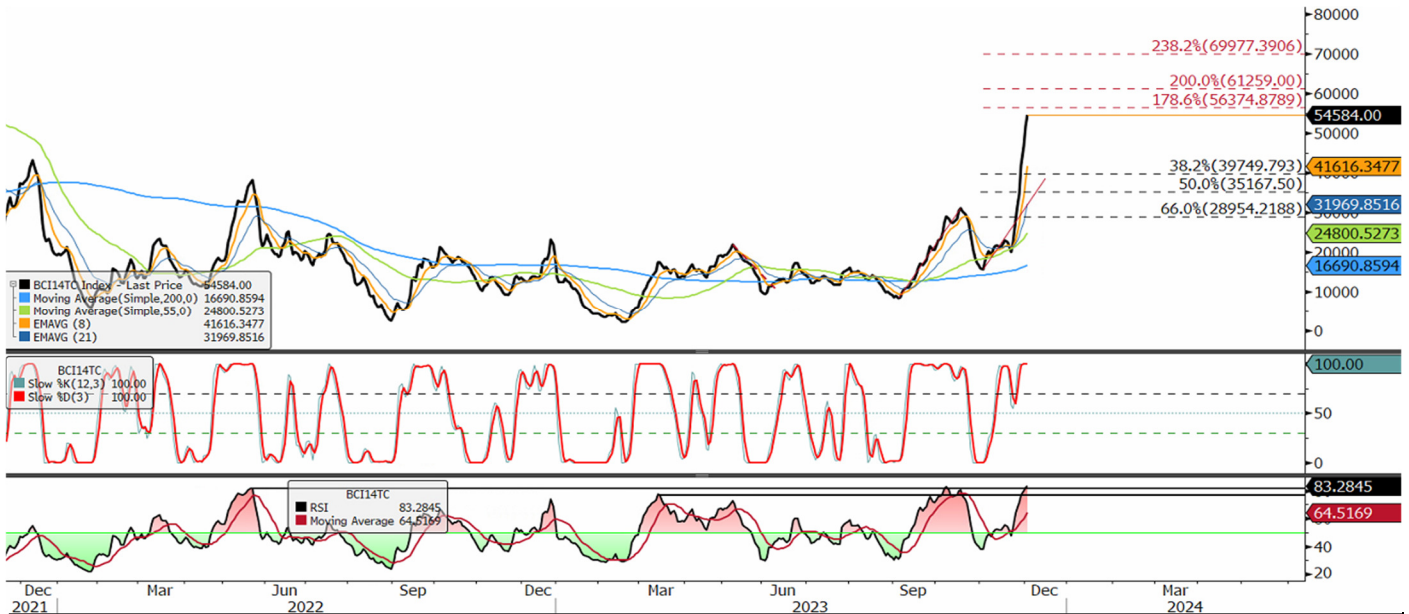
## Q1 24

Bullish with downside moves considered as countertrend last week. The futures traded to a high of USD 15,500 before entering a corrective phase today (04/11). Having seen no significant pullback previously, with the MA on the RSI continuing to suggest that momentum is supported, our intraday Elliott wave analysis is suggesting that downside moves look like they could still be countertrend. Key support is at USD 10,814, a move below this level will warn that the probability of the futures trading to a new high will have started to decrease.

## Cal 24

Technically bullish last week with downside moves considered as countertrend, the futures traded to a high of USD 18,262 with price now in a corrective phase. We are moving lower on an intraday divergence, but the Elliott wave cycle is suggesting that downside moves should still be countertrend at this point. Key support is at USD 15,333, a move below this level will warn that the probability of the futures trading to a new high will start to decrease.

# Capesize Index

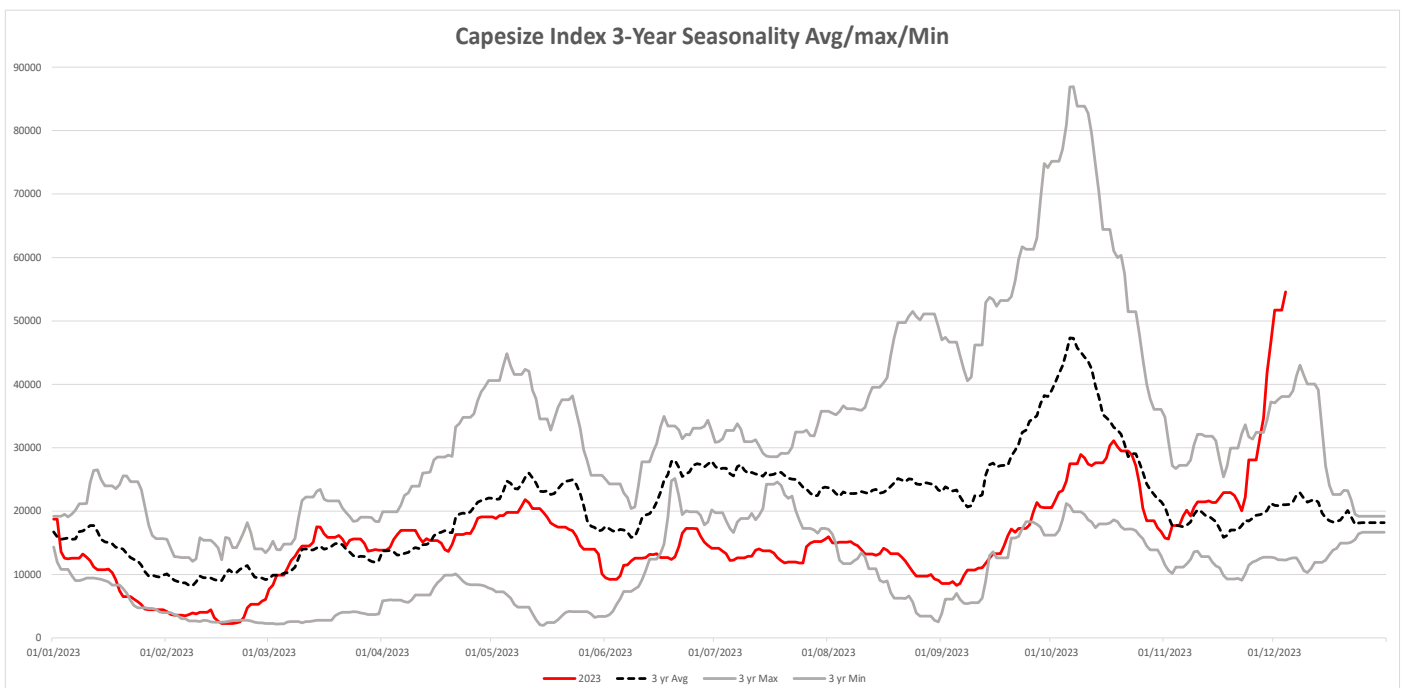


	Support	Resistance	Current Price	Bull	Bear	
S1	39,749	R1	54,584	RSI above 50	Stochastic overbought	
S2	35,167	R2				61,259
S3	28,954	R3				69,997

## Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (83)
- Stochastic is overbought
- Technically bullish last week, the new high had created a negative divergence with the RSI, not a sell signal, it warned that we could see a momentum slowdown. Countering this, the RSI had moved above 64, a level that had previously resulting in the index going on a bullish run. We were in divergence, but momentum had held support with the RSI moving above 64, this had historically been a powerful bull signal, warning that there was further upside within the move. The move above 64 in the RSI has resulted in a strong upside move in the index, with price trading to a high of USD 54,584. We are above all key moving averages with the RSI above 50.
- Momentum based on price remains aligned to the buyside, a close below USD 43,348 will mean it is aligned to the sell side. Downside moves that hold at or above USD 28,954 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the upside move has resulted in the RSI making new highs, implying downside moves have the potential to be countertrend. Likewise, the current wave higher is greater than 161.8% than the previous wave, implying it is bullish impulse. This also warns that downside moves could be against the trend.



# Capesize Jan 24 (1 Month forward)

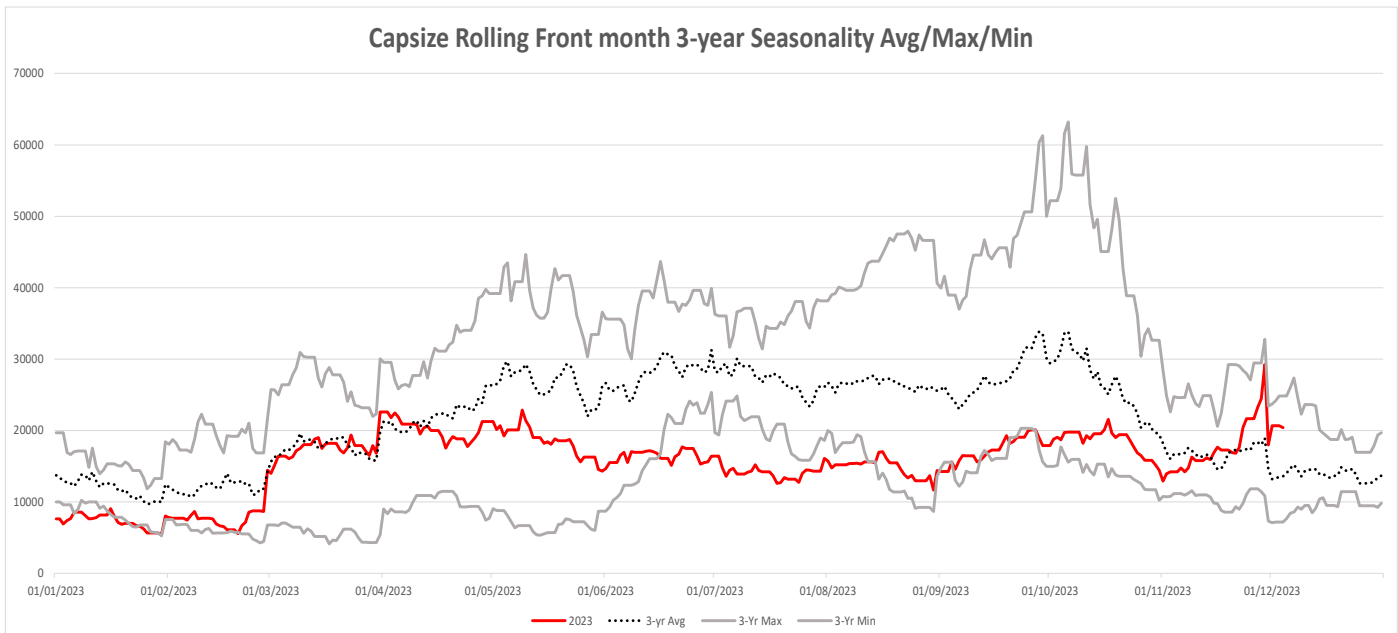


	Support	Resistance	Current Price	Bull	Bear
S1	18,751	R1	22,508	RSI above 50	
S2	17,778	R2	23,962		
S3	16,125	R3	25,934		

## Synopsis - Intraday

- Price is below the 8-21 period EMA's
- RSI is above 50 (52)
- Stochastic is below 50
- Technically bullish, the MA on the RSI implies that momentum is supported at this point. The RSI is making new highs whilst the intraday Elliott wave cycle is bullish, both suggest that downside moves should be considered as countertrend at this point. We also had the index RSI above 64, supporting a bullish technical. The Dec contract had a massive move higher with price following the index up by around USD 17,000. However, we have rolled to Jan 24 now, meaning we have seen a huge drop to the downside, making the technical difficult to read. Price is between the 8-21 period EMA's with the RSI above 50.
- Upside moves that fail at or below USD 25,934 will leave the futures vulnerable to further tests to the downside, above this level the USD 30,125 fractal high will be vulnerable.
- Technically bullish with a neutral bias, if we look at this alongside the Jan outright contract (follow morning technical report), then downside moves should be considered as countertrend. This would suggest that the gap lower on the rolling contract is likely to be part of a 3-wave corrective move, that in theory will be followed by an upside wave (I am guessing the upside wave will be a countertrend wave B). Meaning we are vulnerable to a move lower in the near-term. However, this does suggest that the Jan contract will trade back above the USD 21,750 high at some point.

Source Bloomberg



# Capesize Q1 24

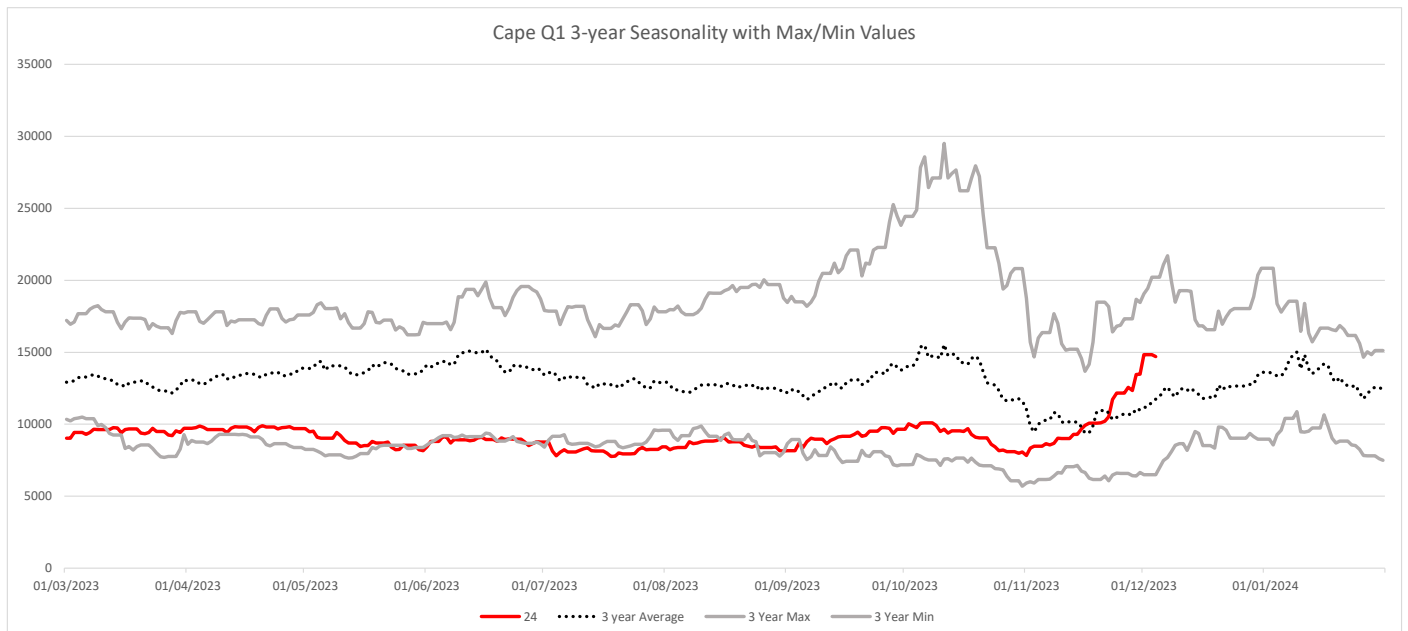


	Support	Resistance	Current Price	Bull	Bear
S1	12,787	R1	13,750	RSI above 50	Stochastic overbought
S2	11,950	R2			
S3	10,814	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is above 50 (69)
- Stochastic is overbought
- Technically bullish due to the futures trading to new highs last week, the MA on the RSI continued to suggest that momentum was supported. With the bull wave greater than 161.8% than the previous wave, alongside the RSI making new highs and a bullish intraday Elliott wave cycle, we maintained our view that downside moves should be considered as countertrend at this point. The futures had seen no significant pullback (until today 04/11), resulting in the futures trading to a high of USD 15,500. However, having made a new high on the open, we are trading below Friday's low's, warning that we could be in the early stages of a corrective phase. Price is above all key moving averages with the RSI above 50.
- Downside moves that hold at or above USD 10,814 will support a bull argument, below this level, the technical will have a neutral bias.
- Technically bullish, the futures are moving lower on the back of an intraday divergence, warning support levels could come under pressure. However, the MA on the RSI continues to imply that momentum is supported, whilst the intraday Elliott wave cycle is indicating that the move lower looks like it will be countertrend. Key support is at USD 10,814, a move below this level will be considered as deep, meaning that the probability of the futures trading to a new high will start to decrease.



# Capesize Cal 24



	Support	Resistance	Current Price	Bull	Bear
S1	16,567	R1	18,454	RSI above 50	Stochastic overbought
S2	16,043	R2	19,150		
S3	15,333	R3	20,027		

## Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is above 50 (68)
- Stochastic is overbought
- Technically bullish last week with downside moves considered as countertrend based on our intraday Elliott wave analysis, the RSI was making new highs and the MA on the RSI continued to suggest that momentum was supported. Key support to follow was at USD 14,802, if broken, then the probability trading to a new high would start to decrease. The futures traded to a high of USD 18,262 before entering into a corrective phase. Price is above all key moving averages with the RSI above 50.
- Downside moves that hold at or above USD 15,333 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures are moving lower on the back of an intraday divergence; however, intraday Elliott wave analysis continues to suggest that downside moves should be considered as countertrend, making USD 15,333 the key support to follow. if broken, then the probability trading to a new high will start to decrease.

