



Capesize Technical Report

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Index

The index has entered a corrective phase, momentum based on price is now aligned to the sell side with the RSI below 64. We remain above key support levels having recently seen the RSI make a new high, warning that the corrective move lower is potentially countertrend. The index has found light bid support above the 21-period EMA, if momentum based on price becomes aligned to the buy side, and the RSI moves above 64, then resistance levels could become vulnerable. Likewise, a move below USD 28,954 will warn that the probability of the index to trade to a new high has started to decrease.

Jan 24

Technically bearish having traded to a low of USD 13,875, the futures have now found buy side support, meaning we are testing the 200-period MA at USD 17,117. A close above that holds above the average with the RSI above 50, will warn that resistance levels could become vulnerable, as the stochastic is oversold. Likewise, if we remain below the average with the RSI below 50, we could see support levels come under pressure. Note, due to the depth of the pullback, the Jan outright technical now has a neutral bias, meaning that the probability of the futures trading to a new high has started to decrease.

Q2 24

Technically bullish but with a neutral bias due to the strength of the pullback, the probability of the futures trading to a new high has started to decrease. However, price is moving higher and approaching our Key resistance at USD 16,812, if broken, we could see resistance levels come under pressure. We have noted on the technical that corrective patterns often consist of 3-wave (A-B-C) two down and one up. At this point we have 2 waves (one down, one up), warning that the current move higher could potentially struggle to hold.

Cal 24

Technically bullish, the corrective move lower has found buy side support on the 21-period EMA, meaning we remain above our key support (USD 15,333). Like the Q2 24, we have a question regarding the wave pattern as it only consists of 2 waves, rather than 3. This would suggest that the current move higher could struggle to hold, as the technical is warning that we could potentially see another test to the downside. If we do trade below USD 15,333, then the probability of the futures trading to a new high will start to decrease due to the depth of the pullback.

Capesize Index

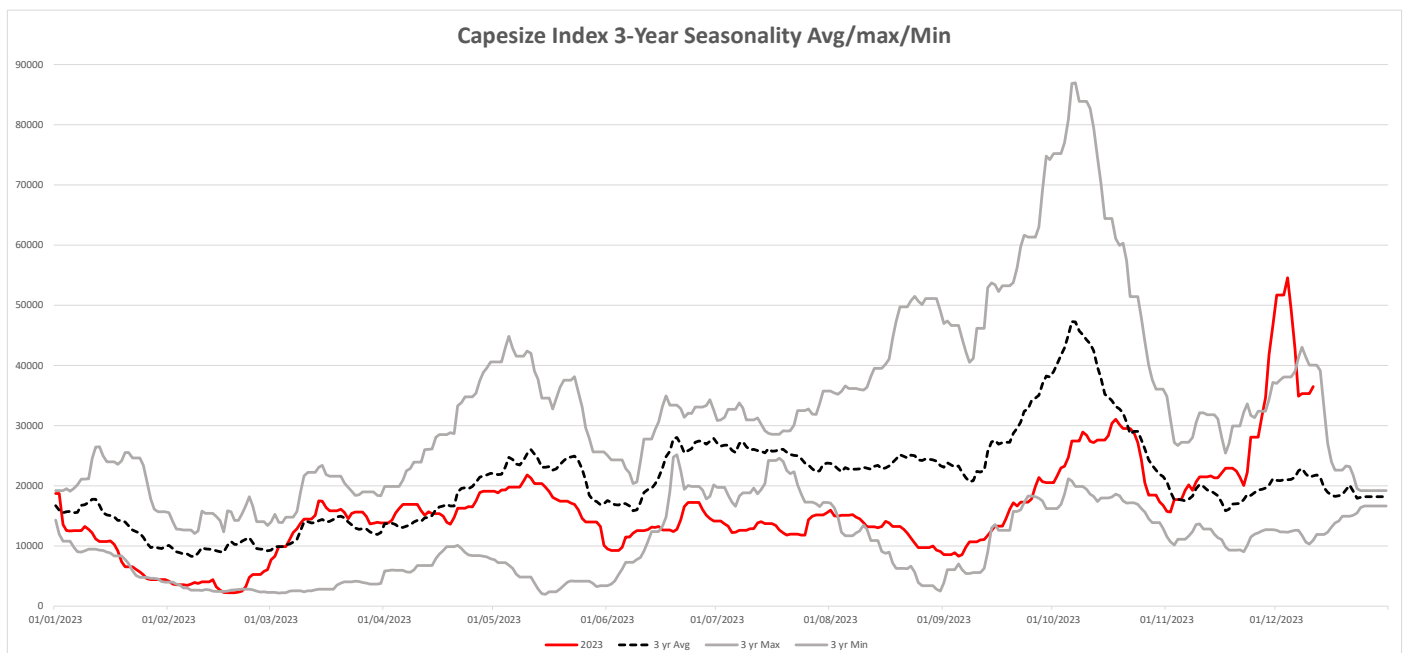


Support	Resistance	Current Price	Bull	Bear
S1	35,167	R1	42,170	RSI above 50
S2	28,954	R2	47,754	
S3	24,061	R3	54,584	

Synopsis - Intraday

Source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is above 50 (56)
- Stochastic is at 50
- Technically bullish last week, the upside move had resulted in the RSI making new highs, implying downside moves had the potential to be countertrend. Likewise, the current wave higher was greater than 161.8% than the previous wave, implying it is bullish impulse. This also warned that downside moves could be against the trend. The index has entered a corrective phase with price now between the 8-21 period EMA's with the RSI still above 50. Price is holding above the 21 period EMA at this point.
- Momentum based on price is aligned to the sell side, a close above USD 40,325 will mean it is aligned to the buyside. 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. Upside moves that fail at or below USD 47,754 will leave the index vulnerable to further tests to the downside, if broken the USD 54,584 fractal high could come under pressure.
- Technically bullish, the corrective move lower means that the RSI has moved below the 64 level; however, we remain above key support at USD 28,954. If broken, the probability of the futures trading to a new low will start to decrease. We have started to find light bid support, if momentum based on price becomes aligned to the buyside and the RSI moves above 64, then resistance levels will start to look vulnerable.



Capesize Jan 24 (1 Month forward)

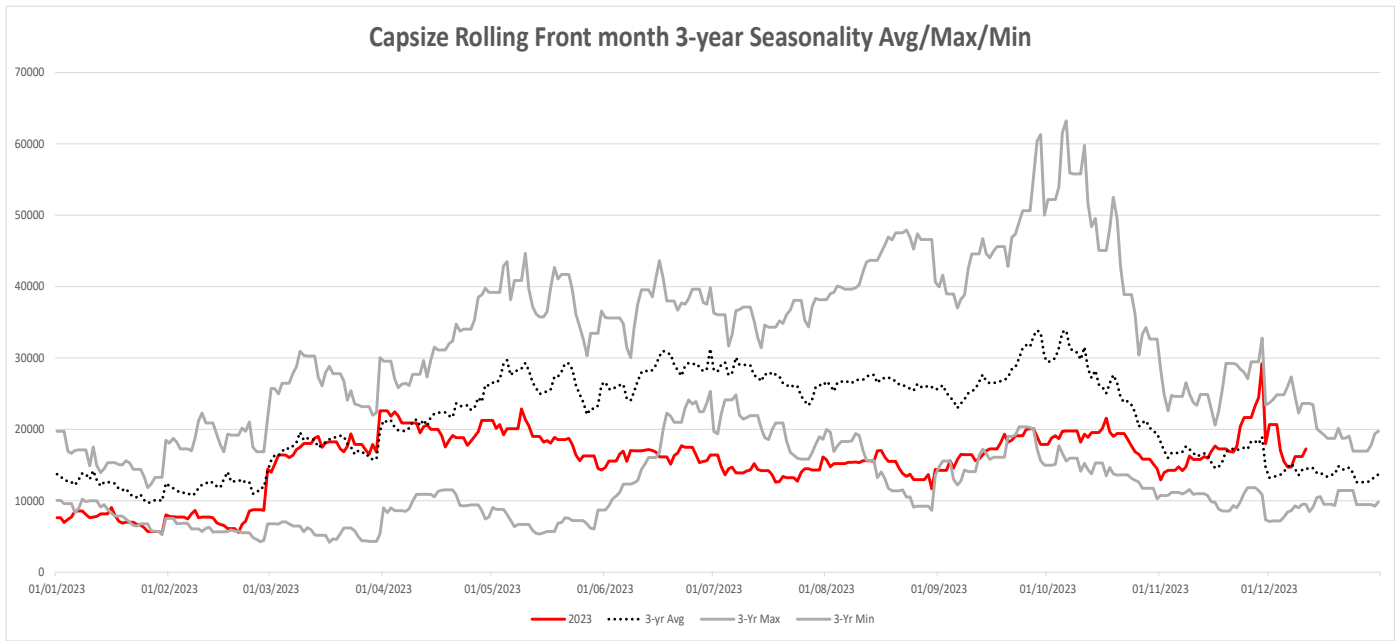


	Support	Resistance	Current Price	Bull	Bear
S1	14,133	R1	17,250	Stochastic oversold	RSI below 50
S2	12,062	R2			
S3	9,425	R3			

Synopsis - Intraday

- Price is below the 8-21 period EMA's
- RSI is below 50 (49)
- Stochastic is oversold
- Technically bullish with a neutral bias last week, if we looked at the rolling front month technical alongside the Jan outright contract (follow morning technical report), then downside moves should be considered as countertrend. This also suggested that the gap lower on the rolling contract was likely to be part of a 3-wave corrective move, that in theory will be followed by an upside wave (I guessed the upside wave would be a countertrend wave B). Meaning we could be vulnerable to a move lower in the near-term. However, this did suggest that the Jan contract would trade back above the USD 21,750 high at some point. The futures traded to a low of USD 13,875 before finding bid support, the daily technical is now bearish. Price is below all key moving averages supported by the RSI below 50.
- Upside moves that fail at or below USD 24,600 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 currently testing the 200-period MA resistance (USD 17,117), a close above that holds above this level will warn that resistance levels could be vulnerable; this signal will be stronger if the RSI moves above 50, as the stochastic is oversold. Likewise, if we reject this level and the RSI remains below 50, then we could see support levels come under pressure. The intraday Jan outright is now bullish with a neutral bias due to the depth of the pullback, meaning the probability of the Jan outright trading to a new high has started to decrease.

Source Bloomberg



Capesize Q2 24

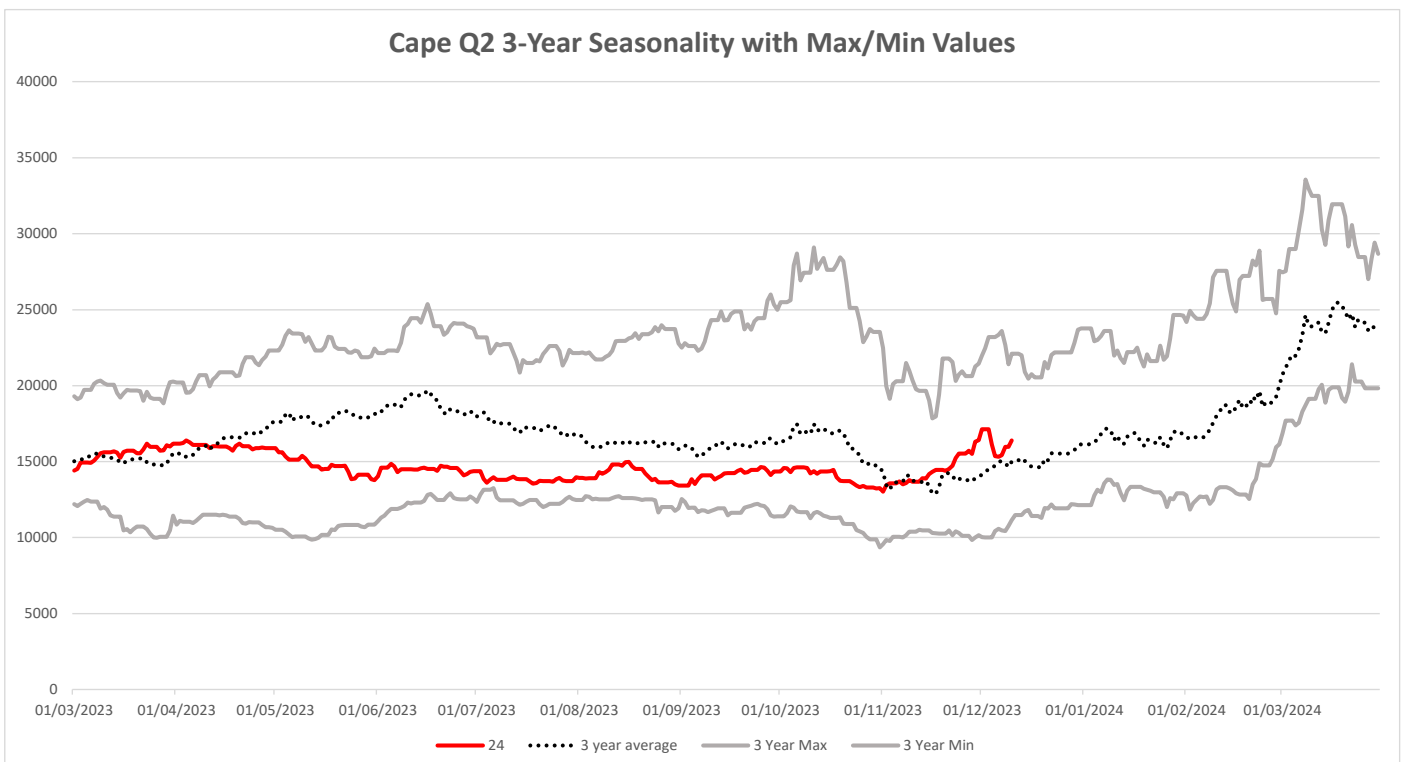


	Support	Resistance	Current Price	Bull	Bear
S1	14,905	R1	16,250	RSI above 50	
S2	14,338	R2			
S3	13,375	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is above 50 (61)
- Stochastic is below 50
- Q2 Futures. Technically bullish but with a neutral bias due to the breach in the USD 14,905 support. We have seen a move higher in the last few days, resulting in price moving back above all key moving averages supported by the RSI above 50.
- Upside moves that fail at or below USD 16,812 will leave the futures vulnerable to further tests to the downside, if broken, the USD 17,875 fractal high could come under pressure.
- Technically bullish with a neutral bias, the deep pullback means that the probability of the future making a new high has started to decrease. However, we are trading higher with price approaching the USD 16,812 resistance, making this the key level to follow. In theory, corrective patterns tend to consist of 3 waves, two down, and one up (A-B-C). At this point, we have one wave down and one up, suggesting this move higher could potentially struggle to hold.



Capesize Cal 24



	Support	Resistance	Current Price	Bull	Bear
S1	16,043	R1	17,043	RSI above 50	
S2	15,333	R2	17,433		
S3	14,774	R3	17,740		

Source Bloomberg

Synopsis - Intraday

- Price is above the 8-21 period EMA
- RSI is above 50 (64)
- Stochastic is below 50
- Technically bullish last week, the futures were moving lower on the back of an intraday divergence; however, intraday Elliott wave analysis continued to suggest that downside moves should be considered as countertrend, making USD 15,333 the key support to follow. If broken, then the probability of the futures trading to a new high would start to decrease. We did see a move lower; however, price has held above the 21-period EMA resulting in a move higher. We remain above all key moving averages supported by 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. Likewise, upside moves that fail at or below USD 17,433 will leave the futures vulnerable to further tests to the downside, above this level we have the potential to test the USD 17,875 fractal high.
- Technically bullish, like the Q2, we have a question regarding the corrective phase. As previously stated, corrections normally often consist of a three-wave pattern, A-B and C. In this instance, A and C will be impulse waves I.E., down, with B being countertrend, I.E., up. At this point, we seem to have only a wave A and B, warning there is possibly another move lower to come (wave C). If we do trade below USD 15,333, then the probability of the futures trading to a new high will start to decrease.

