



# Capesize Technical Report

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

## Index

Technically bullish but in a corrective phase, the futures remain above our key support at USD 28,954. If broken, then the probability of the index trading to a new high will start to decrease. The RSI is below its MA warning momentum is weak at this point, leaving support levels vulnerable. However, if we hold support with momentum based on price becoming aligned to the buy side, and the RSI moves above its average, we could see resistance levels come under pressure.

## Jan 24

The futures closed above the 200-period MA on the 17/12 with the RSI moving above its average, implying momentum support. We have jumped higher today (18/12) due to the ongoing attacks on vessels in the Red Sea; however, above USD 21,750, the intraday futures will be in divergence with the Jan outright. Not a sell signal, it is a warning we could see a momentum slowdown, implying caution above this level. If the divergence fails, it will warn that we could see the USD 24,600 resistance come under pressure.

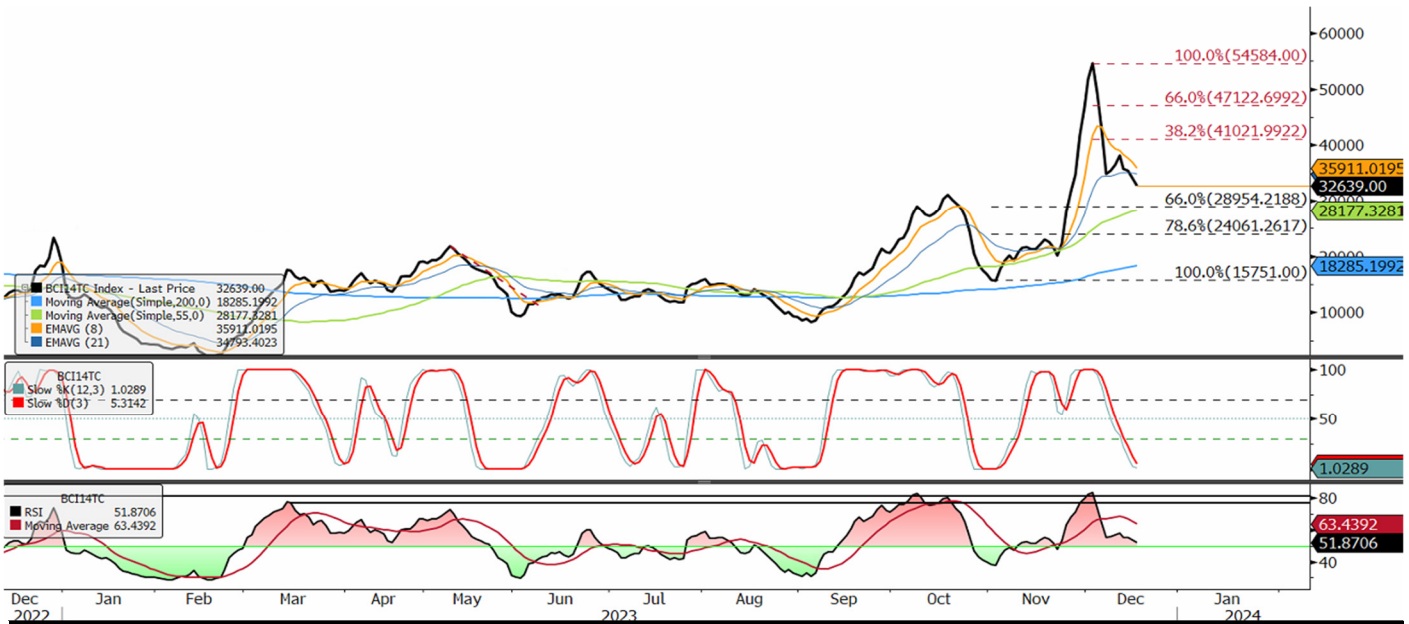
## Q2

We didn't get the 3-wave corrective pattern that we were looking for last week with price trading through the USD 16,812 resistance to new highs. The new high means that the futures are now in divergence, warning that we have the potential to see a momentum slowdown, this will need to be monitored. However, it does look like we are starting to follow a bullish seasonality pattern, warning a momentum pullback will be into seasonality strength, meaning the divergence could fail. We are a cautious bull in the near-term due to the divergence but based on the 3-wave pattern failing and the seasonality chart, it does look like that there is possibly a larger bullish Elliott wave cycle in play. Meaning downside moves could be countertrend on the longer-term technical.

## Cal 24

Like the Q2, we did not get a 3-wave corrective pattern last week, resulting in the futures trading to new highs. Technically bullish, we are in divergence with the RSI which will need to be monitored, as it is warning of a momentum slowdown. However, the new high is suggesting we are looking at wave extension on a larger cycle, meaning downside moves should be considered as countertrend.

# Capesize Index

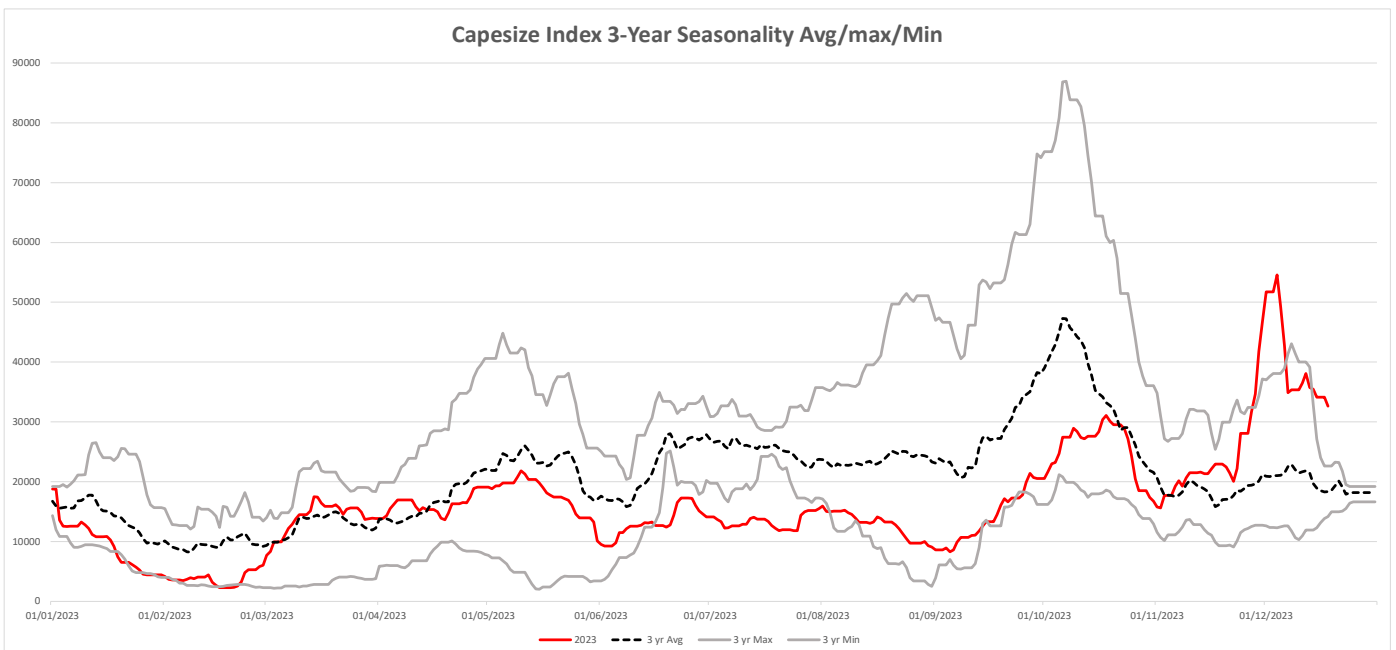


Support	Resistance	Current Price	Bull	Bear
S1	R1	32,639	RSI above 50	
S2	R2			
S3	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is above 50 (51)
- Stochastic is oversold
- Technically bullish last week, the corrective move lower meant that the RSI had moved below the 64 level; however, we remained above key support at USD 28,954. If broken, then the probability of the index trading to a new high would start to decrease. We had started to find light bid support, if momentum based on price became aligned to the buyside and the RSI moved above 64, then resistance levels would start to look vulnerable. The upside move in the index failed to hold, resulting in price moving lower, we are below the 8-21 period EMA's with the RSI above 50.
- Momentum based on price is aligned to the sell side, a close above USD 35,663 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 47,122 will leave the index vulnerable to further tests to the downside, if broken the USD 54,584 fractal high could come under pressure.
- We remain bullish but in a corrective phase at this point with price approaching the USD 28,954 support. If broken, then the probability of the index trading to a new high will start to decrease. The RSI is below its moving average, implying momentum remains weak at this point, meaning the USD 28,954 support is vulnerable. If we do see momentum based on price become aligned to the buyside, and the RSI moves above its average, it will imply that buyside momentum is increasing.



# Capesize Jan 24 (1 Month forward)

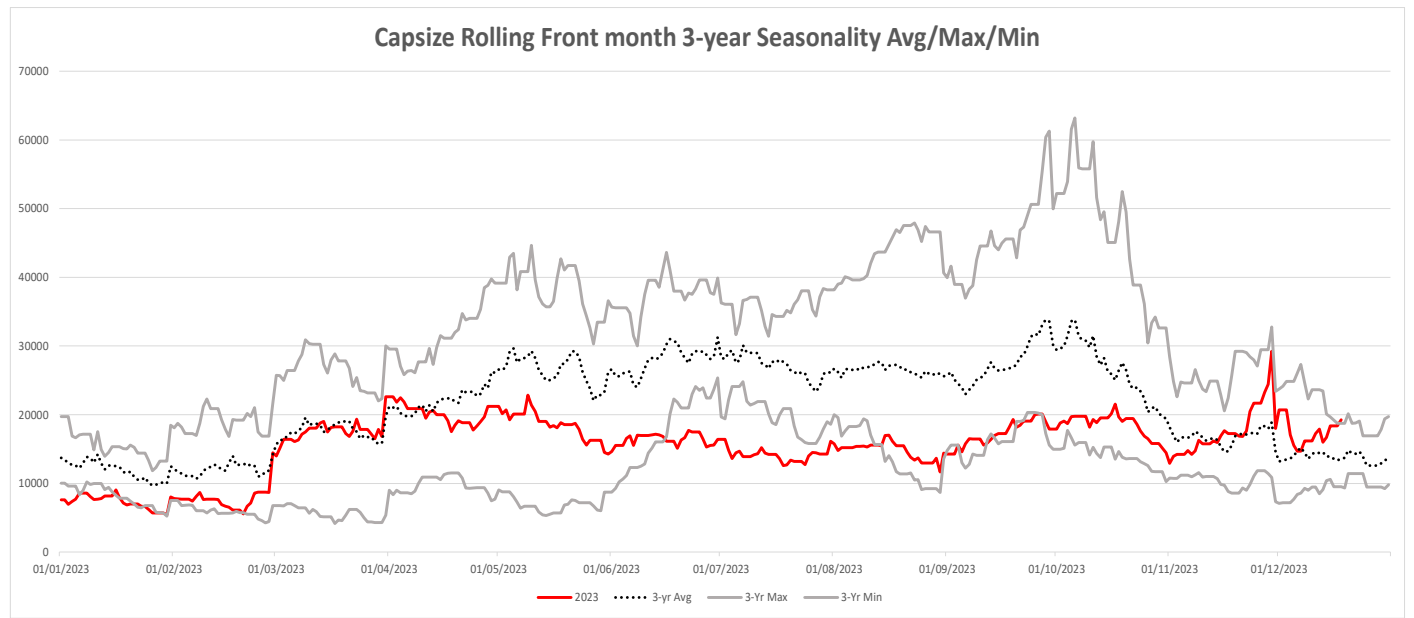


	Support	Resistance	Current Price	Bull	Bear
S1	18,293	R1	22,000	RSI above 50	RSI below 50
S2	17,450	R2	24,600		
S3	16,306	R3	26,647		

### Synopsis - Intraday

- Price is above the 8-21 period EMA's
- RSI is above 50 (53)
- Stochastic is oversold
- Technically bearish last week, the futures were testing the 200-period MA resistance (USD 17,117), a close above that held above this level would warn that resistance levels could be vulnerable; this signal would be stronger if the RSI moved above 50, as the stochastic was oversold. Likewise, if we rejected this level and the RSI remained below 50, then we could see support levels come under pressure. The intraday Jan outright was bullish with a neutral bias due to the depth of the pullback, meaning the probability of the Jan outright trading to a new high had started to decrease. The futures initially failed to hold a close above the 200-period average; however, the close on Friday did have the RSI marginally above its MA, implying momentum was supporting price. We have seen the futures move higher today, but the move is less technical as it is relating to the attacks on vessels in the Red Sea. Price is above all key moving averages supported by the RSI above 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. Likewise, downside moves that hold at or above USD 16,306 will support a near-term bull argument, below this level the USD 13,875 fractal low will start to look vulnerable.
- Technically bearish, upside moves on the Jan outright above USD 21,750 will create a negative divergence with the RSI on the intraday technical, warning we could see a momentum slowdown, implying caution above this level. If the intraday divergence fails, then we could see the daily resistance at USD 24,600 come under pressure.

Source Bloomberg



# Capesize Q2 24

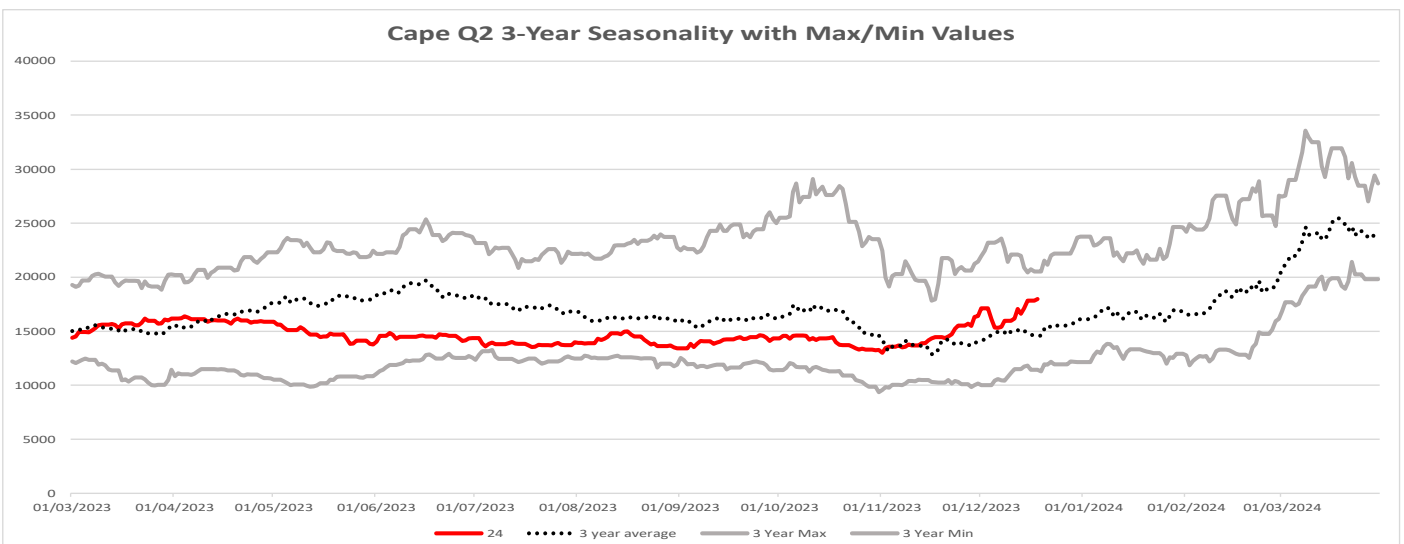


	Support	Resistance	Current Price	Bull	Bear	
S1	17,021	R1	18,425	RSI above 50	Stochastic overbought	
S2	16,587	R2				18,560
S3	15,999	R3				19,598

## Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is above 50 (69)
- Stochastic is overbought
- Technically bullish with a neutral bias last week, the deep pullback meant that the probability of the futures making a new high had started to decrease. However, we were 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 that point, we had one wave down and one up, suggesting this move higher could potentially struggle to hold. The futures traded above the USD 16,812 resistance, resulting in price entering back into bullish territory and trading to new highs. Price is above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 15,999 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, we did not get a 3-wave corrective pattern last week which is unusual, this also implies momentum strength based on price. However, there are some conflicts on this technical as we have a negative divergence in play, not a sell signal, it does warn that we could see a momentum slowdown which we will need to monitor. Countering this, we seem to be following the seasonality footprint, implying momentum pullbacks will be into seasonality strength. This also warns that we could see the RSI make a new high at some point, meaning the divergence could fail. Based on the 3-wave pattern failing to appear and the seasonality chart, it does look like that there is potentially a larger wave cycle in play, implying caution on downside moves from a longer-term perspective.



# Capesize Cal 24



Support	Resistance	Current Price	Bull	Bear
S1	R1	18,675	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is above 50 (70)
- Stochastic is overbought
- Technically bullish last week, like the Q2, we had 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 would be impulse waves I.E., down, with B being countertrend, I.E., up. We seemed to have only a wave A and B, warning there was possibly another move lower to come (wave C). If we did trade below USD 15,333, then the probability of the futures trading to a new high would start to decrease. Like the Q2, we failed to get the corrective wave C, resulting in price trading above the USD 17,433 level to new highs. Price is above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 16,828 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures are now in divergence with the RSI, not a sell signal it is a warning that we have the potential to see a momentum. However, this upside moves to new highs is suggesting we are looking at Elliott wave extension on a larger cycle, warning downside moves should be considered as countertrend.

