



Capesize Technical Report

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Index

Technically bullish but with a neutral bias due to the depth of the pullback. We have seen a move higher on the last two index numbers, meaning that the MA on the RSI is starting to flatten a little. It does still suggest momentum is weak, but the leveling off on the average means sell side momentum is slowing a little. If we see a close above USD 29,249 then it will imply that momentum based on price is aligned to the buy side, whilst a close above USD 29,562 (weekly pivot level) with the RSI at or above 54.5 will further support a bull argument, warning resistance levels could come under pressure. There are warning signs of momentum support; however, we need to see more upside in the index for momentum to support price. If we do not see a close above the weekly pivot level with the RSI moving above 54.5, then any upside move could struggle to hold.

Feb 24

The roll into Feb created a new low and a positive divergence with the RSI, resulting in a move higher. Technically we have a 3-wave move lower (highlighted A -B C on the chart) with price moving higher on the divergence, meaning there is a chance that the corrective wave has completed already. However, due to the price roll into Feb we have a data gap meaning we cannot read the intraday corrective wave with any real precision, with price moving lower having rejected the Fibonacci resistance zone we continue to remain vulnerable to moves lower at this point. We should note that a new low below USD 11,800 will create another positive divergence with the RSI, implying caution on downside breakouts.

Q2 24

We remain bullish with the futures trading to new highs but price is still in divergence with the RSI. Not a sell signal, it is a warning that we have the potential to see a momentum slowdown, which needs to be monitored. Key support is at USD 16,450, if we hold above this level then we could be looking at a bullish higher timeframe Elliott wave cycle, if broken, then the probability of the futures trading to a new high will start to decrease. Likewise, a move higher from here will also warn that we could be looking at a wave extension. We are bullish, the RSI divergence is warning that we could move lower in the near-term.

Cal 25

The futures are in a bullish trending environment above all key moving averages supported by the RSI above 50. Our Elliott wave analysis is warning that we are looking at a bullish wave extension, suggesting downside moves have the potential to be countertrend. However, right now, we have a negative divergence in play. Not a sell signal, it is a warning that we could see a momentum slowdown and enter a corrective phase in the near-term, which will need to be monitored.

Capesize Index

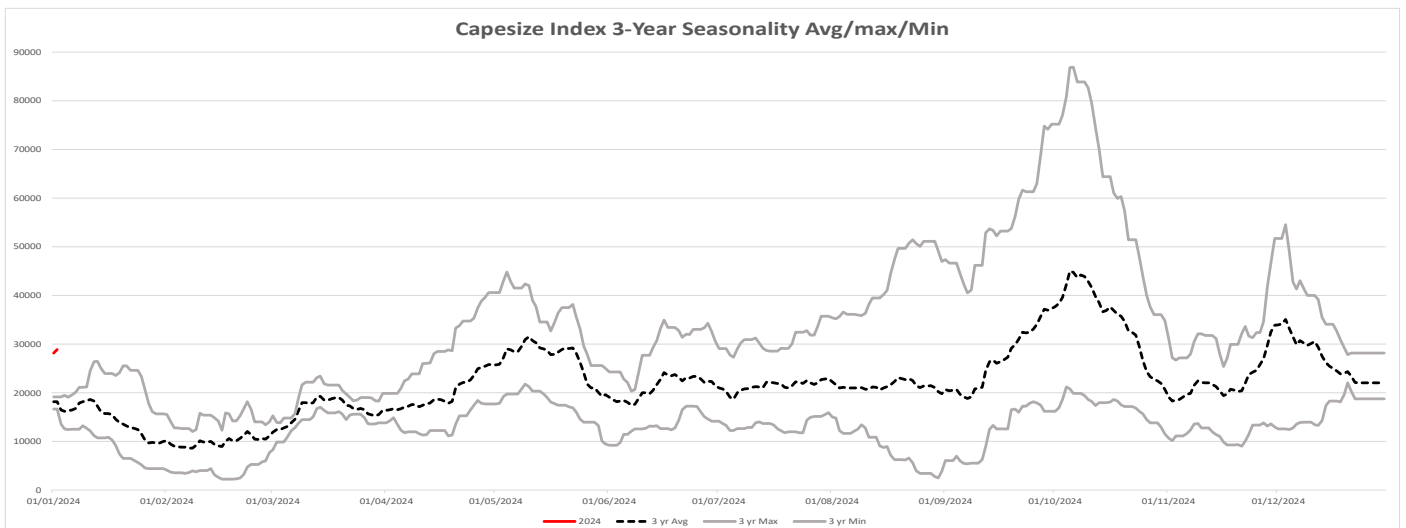


Support	Resistance	Current Price	Bull	Bear
S1	R1	28,896	Stochastic oversold	RSI below 50
28,954	29,562			
S2	R2			
24,061	38,075			
S3	R3			
15,751	41,228			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is above 50 (47)
- Stochastic is oversold
- Price is below the weekly pivot point (USD 29,562)
- We remained bullish but in a corrective phase on the last report with price approaching the USD 28,954 support. If broken, then the probability of the index trading to a new high would start to decrease. The RSI was below its moving average, implying momentum remained weak, meaning the USD 28,954 support was vulnerable. We noted that if we did see momentum based on price become aligned to the buy side, and the RSI moves above its average, it would imply that buy side momentum was increasing. The index has continued to move lower with price breaching the USD 28,954 level, meaning the technical although bullish now has a neutral bias due to the depth of the pullback, the probability of the index trading to a new high has started to decrease. We remain below the 8-21 period EMA's with the RSI below 50.
- Momentum based on price is aligned to the sell side, a close above USD 29,249 will mean it is aligned to the buy side. Upside moves that fail at or below USD 45,501 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 with a neutral bias, the last print of 2023 and first print of 2024 have been up. If we see a move above 29,249 it will warn that momentum based on price is turning to the buy side, whilst a close above USD 29,562 with the RSI above 54.5 will further support a near-term bull argument; meaning resistance levels will start to look vulnerable. However, the MA on the RSI is still implying momentum weakness at this point, but due to the last two index prints it is starting to flatten a little. There are warning signs of index support, but we need to see price continuing its move higher to get momentum support.



Capesize Feb 24 (1 Month forward)

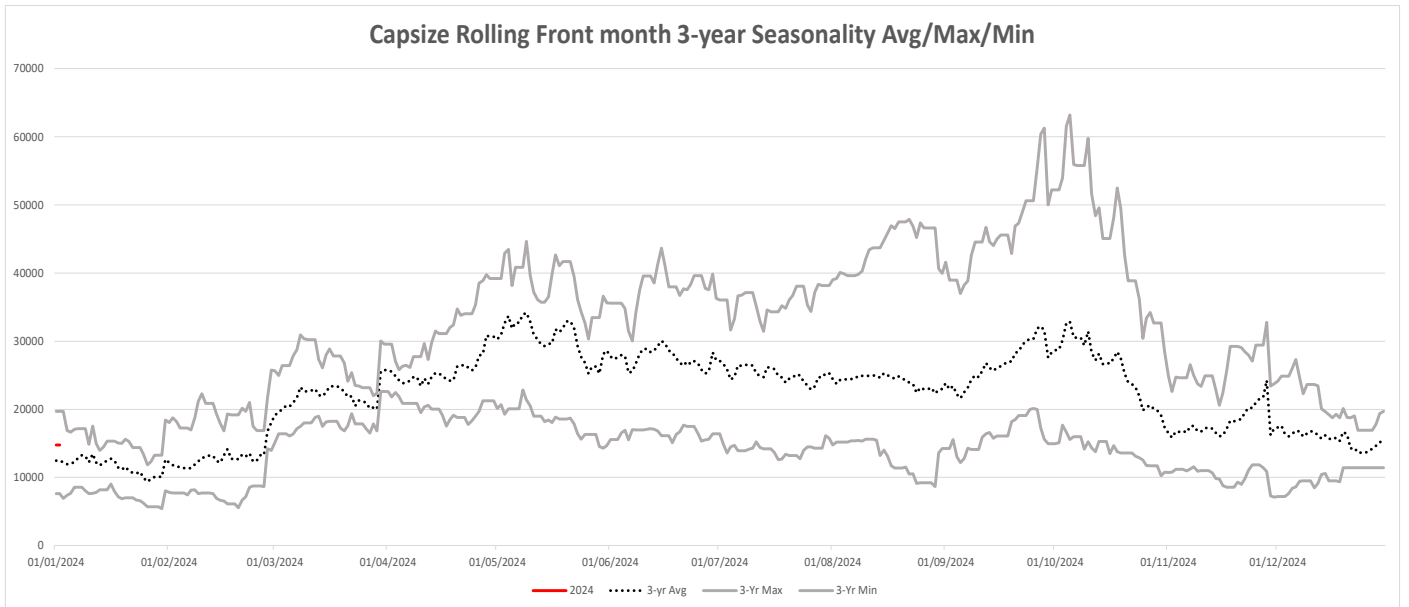


Support		Resistance		Current Price	Bull	Bear
S1	12,900	R1	15,323	14,175	Stochastic oversold	RSI below 50
S2	10,982	R2	16,412			
S3	8,252	R3	17,888			

Synopsis - Intraday

- Price is below the 8-21 period EMA's
- RSI is below 50 (45)
- Stochastic is oversold
- Technically bearish on the last report, we noted that upside moves on the Jan outright above USD 21,750 would 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 failed, then we could see the daily resistance at USD 24,600 come under pressure. The Jan outright futures did trade to a high of USD 25,500 but the divergence remains in play at this point. However, we have rolled into Feb, creating another gap lower in the futures. Price is below all key moving averages supported by the RSI below 50.
- Upside moves that fail at or below USD 17,888 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The futures traded to a low of USD 11,800 on the roll, creating a new low and a positive divergence with it, resulting in price trading to a high of USD 14,875. Due to the roll, it is not possible to work out where we are on the intraday Elliott wave cycle, as we have gapped lower. We do have a 3-wave pattern lower (A – B – C marked on the chart) with price rising on the divergence. It could be that the corrective cycle has already completed, making USD 17,888 the key resistance to follow. However, we remain vulnerable whilst below this level, if broken, then the probability of the futures trading to a new low will start to decrease. Technically bearish, we still remain vulnerable to moves lower at this point; if we do trade below USD 11,800 then it will create a second positive divergence with the RSI, suggesting caution on downside breakouts

Source Bloomberg



Capesize Q2 24

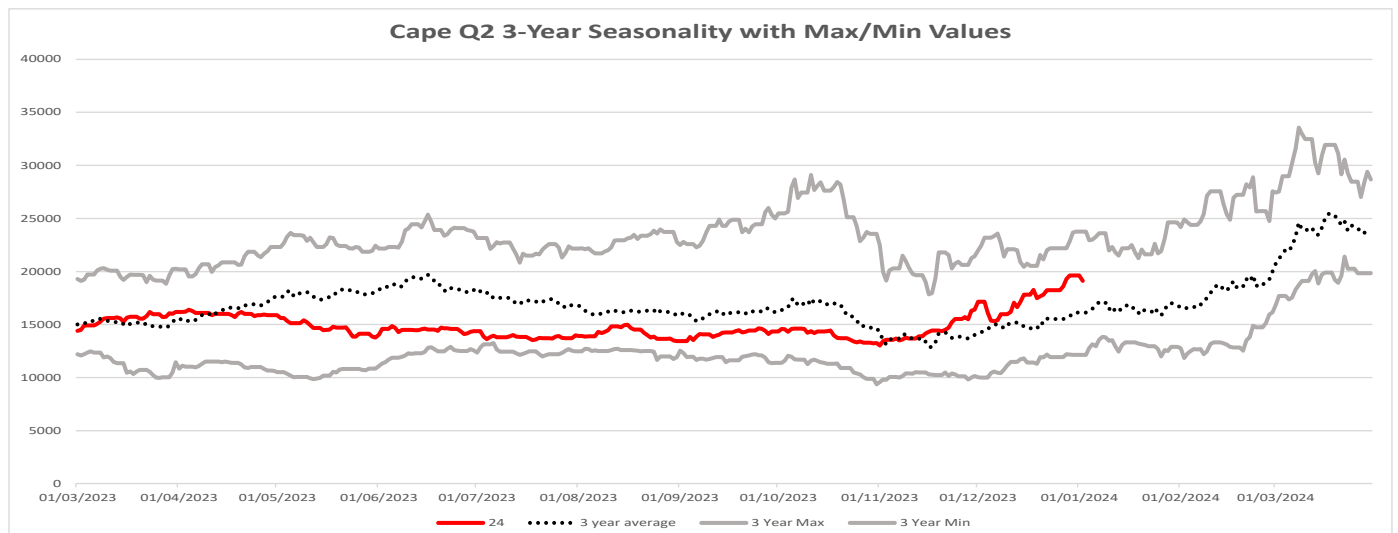


	Support	Resistance	Current Price	Bull	Bear	
S1	17,840	R1	19,125	RSI above 50	Stochastic overbought	
S2	17,250	R2				20,908
S3	16,450	R3				22,024

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is above 50 (66)
- Stochastic is overbought
- Technically bullish on the previous report, we noted that we had not got the 3-wave corrective pattern previously which had been unusual, this also implied momentum strength based on price. However, there were some conflicts on the technical as we had a negative divergence in play, not a sell signal, it did warn that we could see a momentum slowdown which needed to be monitored. Countering this, we seemed to be following the seasonality footprint, implying momentum pullbacks would be into seasonality strength. This warned 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 did look like that there was potentially a larger wave cycle in play, implying caution on downside moves from a longer-term perspective. The futures produced a one-day pullback before rising another USD 2,000 higher. We remain above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 16,450 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the daily RSI remains in divergence with price, warning we have the potential to see a momentum pull-back. This makes USD 16,450 the key support to follow, if broken, then the probability of the futures trading to a new high will start to decrease. However, if we hold above this level, then we could be looking at a higher timeframe Elliott wave extension to the upside. Likewise, if we have another intraday push to the upside in the near-term, it will also warn of wave extension. We are bullish but vulnerable to a move lower in the near-term due to the divergence.



Capesize Cal 25



Support	Resistance	Current Price	Bull	Bear
S1	R1	17,925	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 (69)
- Stochastic is overbought
- Cal 25 now. The futures remain in a bullish trending environment with price continuing to make new highs. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 15,393 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the new high means that the futures are now in divergence with the RSI. Not a sell signal, it is a warning that we could see a momentum slowdown. However, our intraday Elliott wave cycle is warning that we are looking at a wave 3 extension, meaning downside moves have the potential to be countertrend, making USD 15,393 the key support to follow. If broken, it will warn that the probability of the futures trading to a new high has started to decrease.

