



# Capesize Technical Report

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## Index

The index did move above the USD 29,562 level last week, but failed to get the RSI support that was needed to further support a bullish move, resulting in the futures correcting today (08/01/24). Momentum based on price is aligned to the sell side based on the move lower today; however, we will need to see lower pricing tomorrow for confirmation. The technical remains bullish but with a neutral bias due to the depth of the pullback with the RSI looking like it could be rejecting its MA, the RSI is also making new lows, implying momentum weakness, suggesting the USD 27,872 low from last week could be tested and broken.

## Feb 24

The upside move last week has failed to hold, resulting in the futures moving lower. The RSI is now finding resistance on its MA, resulting in the USD 13,000 support being broken, warning that the USD 11,800 fractal low is starting to look vulnerable. As noted last week, a new low will create a positive divergence with the RSI, not a buy signal, it is a warning we could see a momentum slowdown on a new low, suggesting caution on downside breakouts.

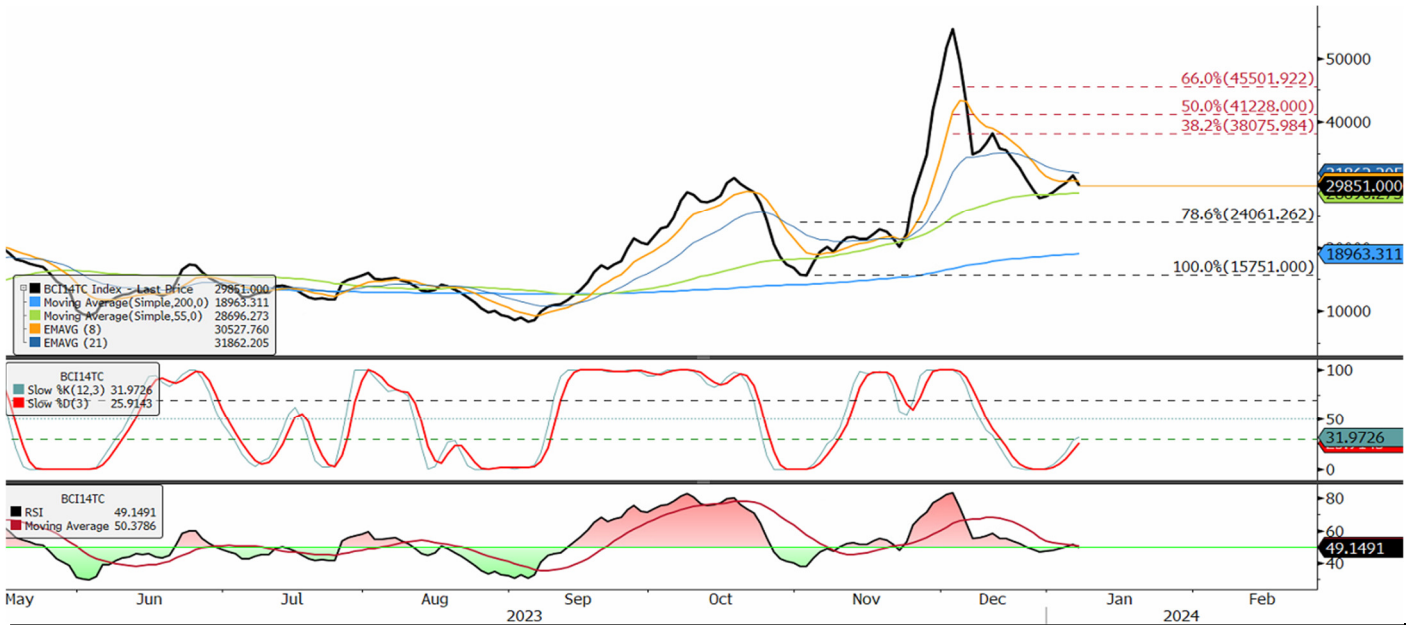
## Q2 24

Bullish last week, the futures had one more test to the upside before moving lower on the back of a second negative divergence with the RSI. Although we did make a new high, the move was not large enough to be an Elliott wave extension. The pullback on the divergence is warning that support levels are now vulnerable, making USD 16,492 the key level to follow. If we hold above this level, it will warn that there is potentially a larger bull cycle in play; however, if broken, then the probability of the futures trading to a new high will start to decrease.

## Cal 24

Technically bullish last week, the futures had one more test to the upside before moving lower on the negative divergence with the RSI. A move below USD 17,375 will warn that the Fibonacci support zone could come under pressure, making USD 15,469 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease. As noted last week, our Elliott wave analysis is suggesting that we have possibly seen a wave 3 extension higher, implying downside moves have the potential to be countertrend.

# Capesize Index

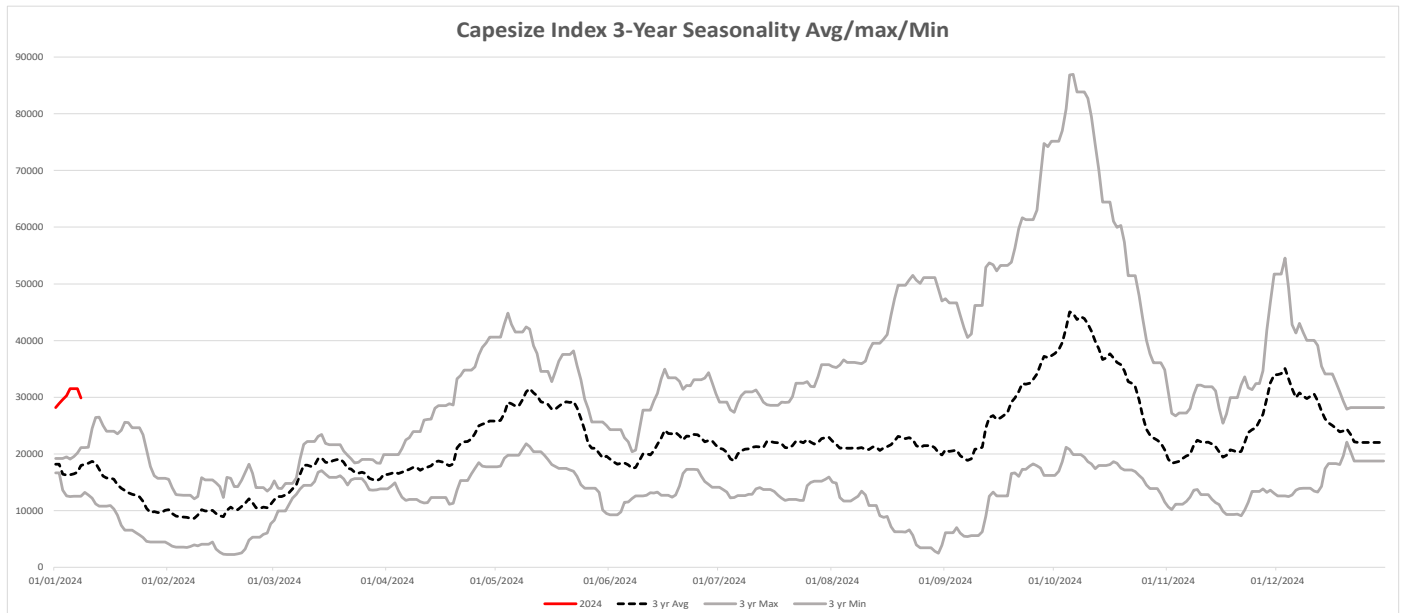


	Support	Resistance	Current Price	Bull	Bear
S1	27,872	R1	30,630	Stochastic oversold	RSI below 50
S2	24,061	R2	38,075		
S3	15,751	R3	41,228		

## Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is above 50 (49)
- Stochastic is oversold
- Price is below the weekly pivot point (USD 30,630)
- Technically bullish with a neutral bias last week, the last print of 2023 and first print of 2024 had been up. If we moved above 29,249 it would warn that momentum based on price was turning to the buy side, whilst a close above USD 29,562 with the RSI above 54.5 would further support a near-term bull argument; meaning resistance levels would start to look vulnerable. However, the MA on the RSI still implied that momentum was weak, but due to the previous two index prints it is starting to flatten a little. There were warning signs of index support, but we need to see price continuing its move higher to get momentum support. The index traded to a high of USD 31,497 but failed to get the RSI support highlighted above. Price is below the 8-21 period EMA's with the RSI near neutral at 49.
- Momentum based on price is aligned to the sell side; however, we have crossed today meaning we need further confirmation tomorrow, a close above USD 30,061 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.
- We remain bullish with a neutral bias, The RSI is potentially in the process of rejecting its MA; however, we need to see further downside moves for confirmation. If we do, then the USD 27,872 low from last week could be tested and broken. The MA on the RSI continues to flatten, but the RSI has made a new low, warning momentum remains weak at this point.



# Capesize Feb 24 (1 Month forward)

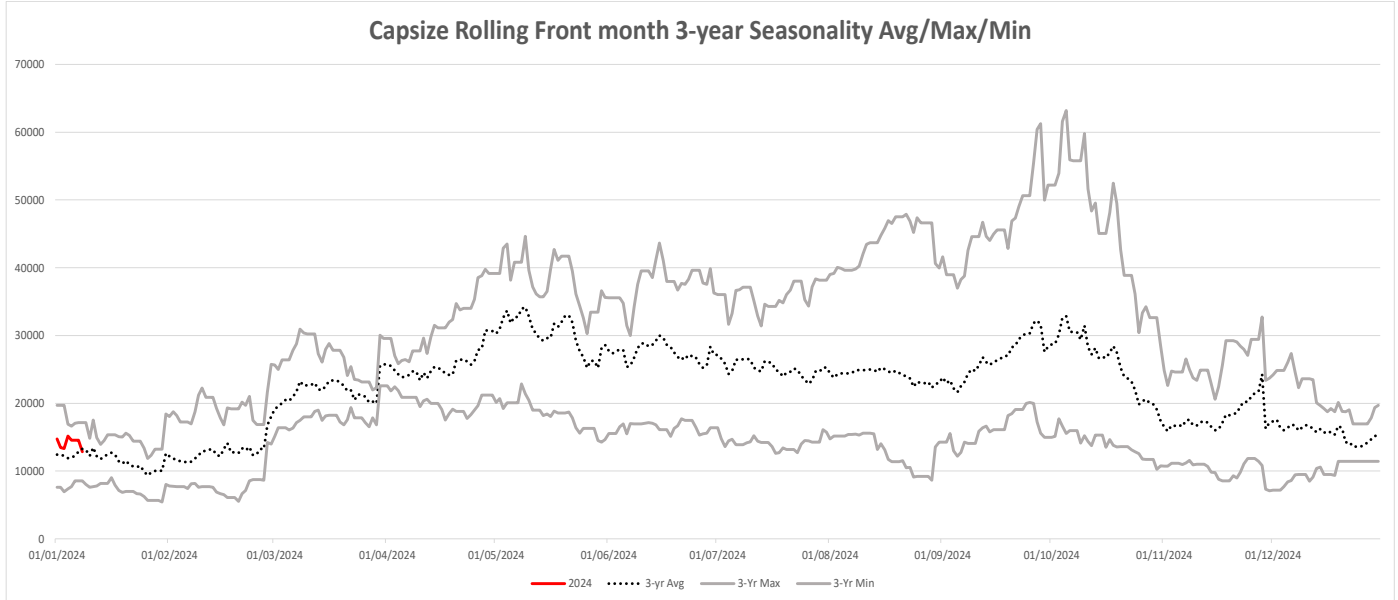


Support	Resistance	Current Price	Bull	Bear
S1	R1	12,800	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

### Synopsis - Intraday

- Price is below the 8-21 period EMA's
- RSI is below 50 (47)
- Stochastic is oversold
- The futures had traded to a low of USD 11,800 on the roll last week, 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 was not possible to work out where we are on the intraday Elliott wave cycle, as we had gapped lower. We did 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 remained vulnerable whilst below this level, if broken, then the probability of the futures trading to a new low would start to decrease. Technically bearish, we still remained vulnerable to moves lower; if we did trade below USD 11,800 then it would create a second positive divergence with the RSI, suggesting caution on downside breakouts. The futures did see an upside move that has rejected the Fibonacci resistance zone and the 21-period EMA. Price is back below all key moving averages with 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.
- Technically bearish, the RSI has rejected its moving average (alongside the 21-period EMA's and the Fibonacci resistance zone) resulting in price trading below the USD 13,000 fractal support. This is warning that the USD 11,800 fractal support is starting to look vulnerable. Like last week, a new low will create another positive divergence with the RSI, implying caution on downside breakouts below this level.

Source Bloomberg



# Capesize Q2 24

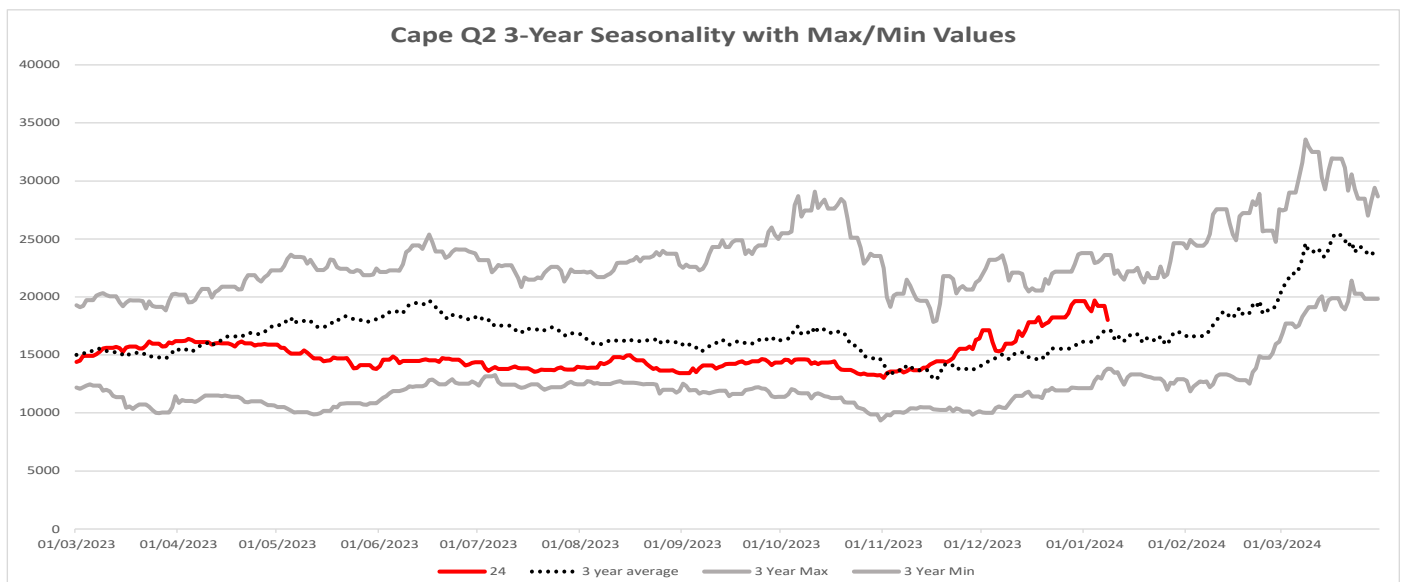


	Support	Resistance	Current Price	Bull	Bear
S1	17,917	R1	18,250	RSI above 50	
S2	17,312	R2			
S3	16,492	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is between the 8-21 period EMA
- RSI is above 50 (57)
- Stochastic is above 50
- Technically bullish previously, the daily RSI remained in divergence with price, warning we had the potential to see a momentum pullback. This made USD 16,450 the key support to follow, if broken, then the probability of the futures trading to a new high would start to decrease. However, if we held above this level, then we could be looking at a higher timeframe Elliott wave extension to the upside. Likewise, if we had another intraday push to the upside in the near-term, it would also warn of wave extension. We were bullish but vulnerable to a move lower in the near-term, due to the divergence. We did have one more push higher, but the move has so far failed to hold, resulting in the futures selling lower. Price is between the 8-21 period EMA's with the RSI above 50.
- Downside moves that hold at or above USD 16,492 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the high on the 05/01/24 has resulted in the futures creating a second divergence with the RSI, meaning the move has failed to hold. This move higher has not been large enough to signal an Elliott wave extension. Due to the futures moving lower on the divergence, support levels are now vulnerable, making USD 16,492 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.



# Capesize Cal 25



	Support	Resistance	Current Price	Bull	Bear
S1	16,630	R1	17,525	RSI above 50	Stochastic overbought
S2	16,137	R2			
S3	15,469	R3			

Source Bloomberg

### Synopsis - Intraday

- Price is between the 8-21 period EMA
- RSI is above 50 (61)
- Stochastic is overbought
- Technically bullish on the last report, the new high meant that the futures were in divergence with the RSI. Not a sell signal, it warned that we could see a momentum slowdown. However, our intraday Elliott wave cycle implied that we were looking at a wave 3 extension, meaning downside moves had the potential to be countertrend, making USD 15,393 the key support to follow. If broken, it would warn that the probability of the futures trading to a new high would start to decrease. The futures had one more test to the upside before selling lower on the back of the negative divergence. Price is between the 8-21 period EMA's with the RSI above 50.
- Downside moves that hold at or above USD 15,469 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish with the futures moving lower on the back of the divergence, downside moves below USD 17,375 will warn that the USD 16,630 – USD 15,469 Fibonacci support zone could come under pressure. As highlighted last week, the Elliott wave cycle is warning that downside moves look like they could be countertrend, making USD 15,469 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease.

