



Capesize Technical Report

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Index

Bullish with a neutral bias last week, we noted that the RSI was in the process of rejecting its MA, which if confirmed would leave support levels vulnerable. We have seen a move lower, meaning the technical is now bearish, price is below the 200-period MA whilst the MA on the RSI continues to imply that momentum is weak. RSI support is at 30.56 with the index covering USD 953 for every index point lower, suggesting USD 11,727 will be a potential area of support if tested.

Feb 24

Technically bearish in the previous report, the move below USD 13,000 warned that the USD 11,800 fractal low could be tested and broken. The futures have traded to new lows, creating a positive divergence with the RSI, not a buy signal, it is a warning that we could see a momentum slowdown which will need to be monitored. Key resistance is at USD 14,135, a move above this level will warn that the probability of the futures trading to a new low will start to decrease.

Q2 24

Bullish last week, the futures had entered a corrective phase on the back of a negative divergence with the RSI, meaning support levels were vulnerable. We remain in a corrective phase with the MA on the RSI implying that momentum is weak, whilst the RSI has also broken support levels, suggesting upside moves have the potential to be countertrend. Price is now at an inflection point with the futures testing the USD 16,492 support, if broken, then the probability of price trading to a new high will start to decrease.

Cal 25

Technically bullish the futures were moving lower on the back of the negative divergence with the RSI. The downside move did break the USD 17,375 level, resulting in price now trading into the Fibonacci support zone. The MA on the RSI is implying that near-term momentum is weak, whilst the RSI has broken support suggesting upside moves could be countertrend. However, the longer-term Elliott wave cycle suggests we are in a corrective wave 4, 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. The technical suggests caution on upside moves in the near-term due to the momentum indicators.

Capesize Index

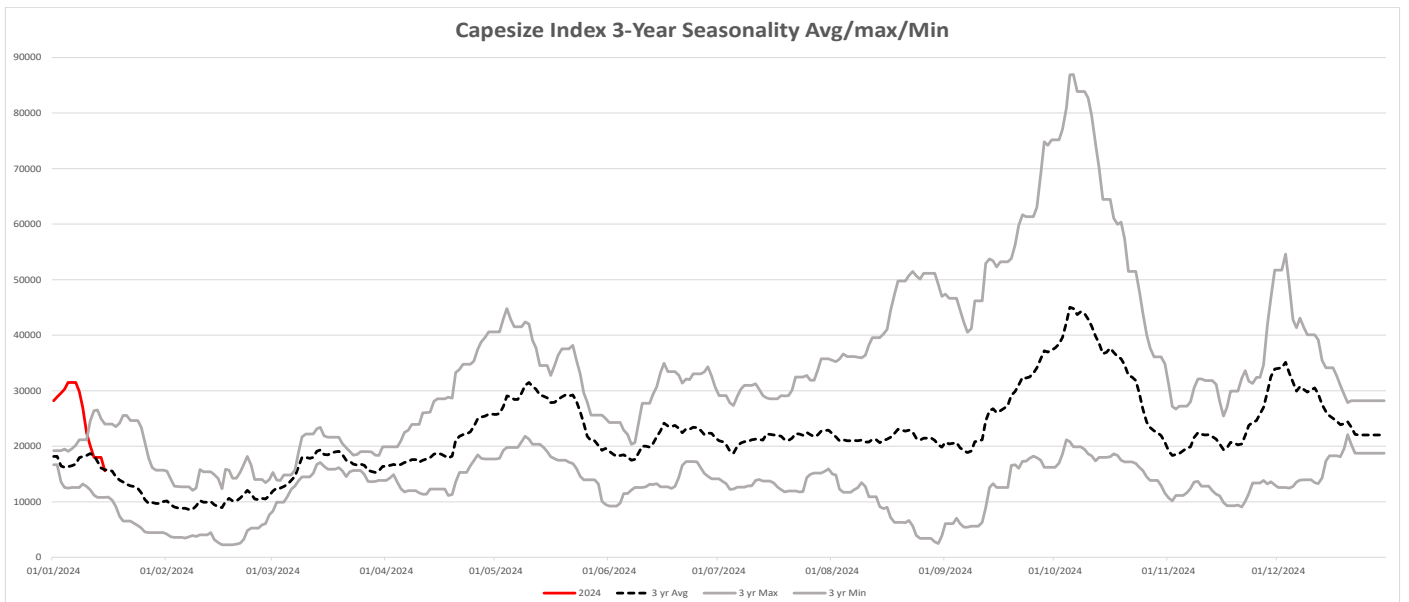


	Support	Resistance	Current Price	Bull	Bear
S1	14,988	R1	21,866	Stochastic oversold	RSI below 50
S2	10,501	R2	23,805		
S3	4,785	R3	26,434		

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is above 50 (34)
- Stochastic is oversold
- Price is below the weekly pivot point (USD 21,960)
- We remained bullish with a neutral bias last week, The RSI was potentially in the process of rejecting its MA; however, we needed to see further downside moves for confirmation. If we did, then the USD 27,872 low from last week could be tested and broken. The MA on the RSI continued to flatten, but the RSI had made a new low, warning momentum remained weak. The RSI rejected its MA resulting in the index moving lower, meaning the technical is now bearish. We are below all key moving averages with the RSI below 50.
- Momentum based on price is aligned to the sell side, a close above USD 21,960 will mean it is aligned to the buy side. Upside moves that fail at or below USD 26,434 will leave the index vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish with price below the 200-period moving average, the MA on the RSI continues to suggest that momentum is weak at this point, meaning support levels remain vulnerable. We have RSI support at 30.56 with the latest move lower covering USD 953 for every one point that the RSI has decreased, suggesting that we have the potential to move USD 3,862 lower before testing the RSI support, making USD 11,727 a potential area of support if tested.



Capesize Feb 24 (1 Month forward)

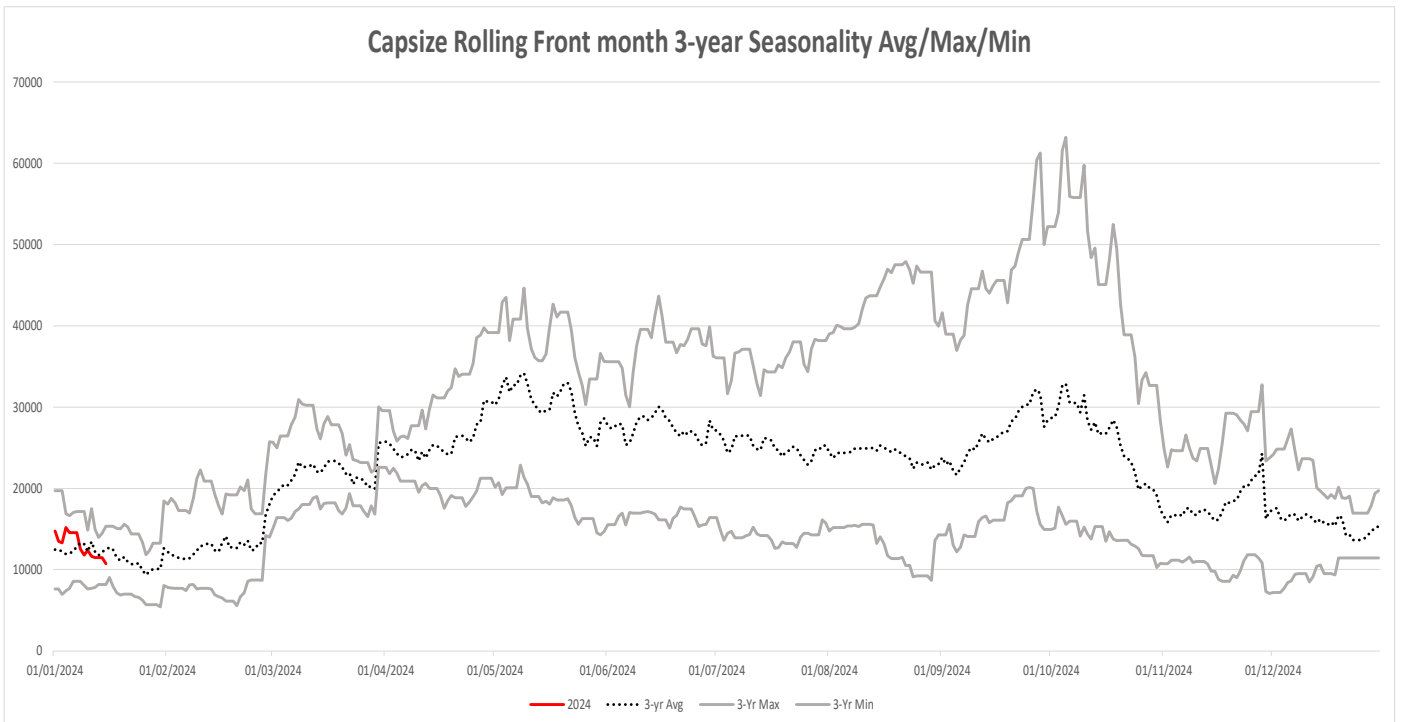


	Support	Resistance	Current Price	Bull	Bear
S1	10,048	R1	10,750	Stochastic oversold	RSI below 50
S2	8,499	R2			
S3	6,525	R3			

Synopsis - Intraday

- Price is below the 8-21 period EMA's
- RSI is below 50 (41)
- Stochastic is oversold
- Technically bearish on the last report, the RSI had 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 warned that the USD 11,800 fractal support was starting to look vulnerable. Like last week, a new low would create another positive divergence with the RSI, implying caution on downside breakouts below this level. The futures have continued to move lower resulting in price trading below the USD 11,800 support. We remain below all key moving averages with the RSI below 50.
- Upside moves that fail at or below USD 14,135 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the new low means that we are now in divergence with the RSI on both the daily and intraday timeframes. Not a buy signal, it is a warning that we have the potential to see a momentum slowdown which will need to be monitored, making USD 14,135 the key resistance to follow. Upside moves above this level will warn that the probability of the futures trading to a new low will start to decrease.

Source Bloomberg



Capesize Q2 24

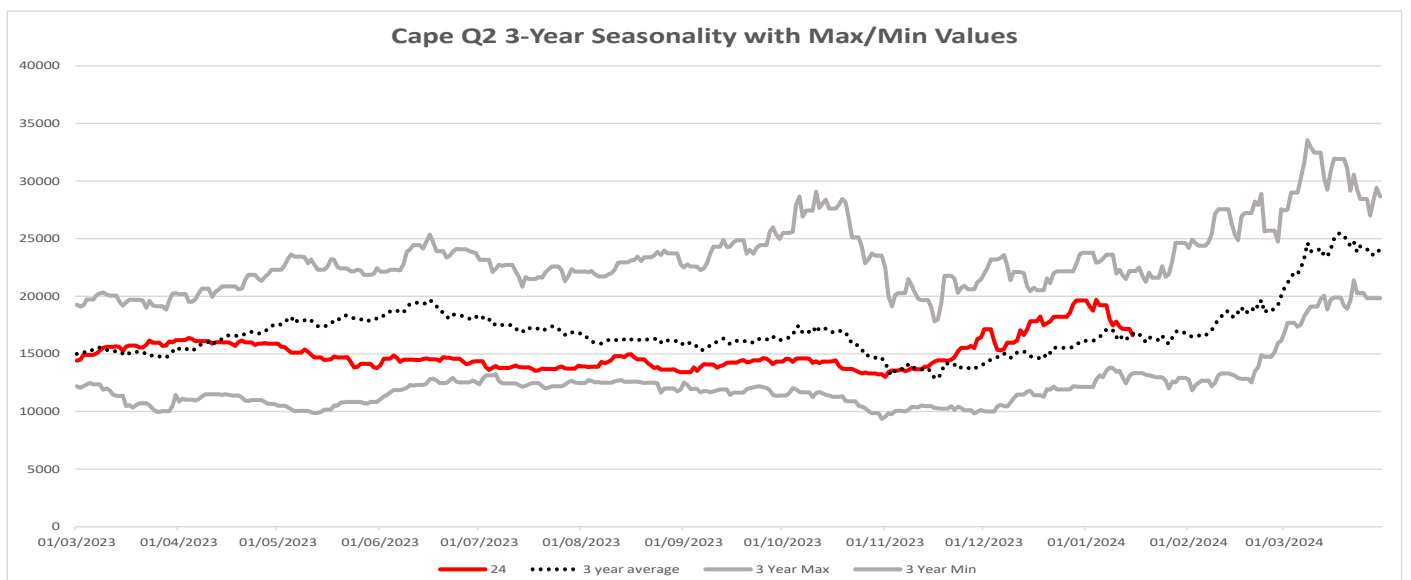


	Support	Resistance	Current Price	Bull	Bear
S1	16,492	R1	17,851	Stochastic overbought	RSI below 50
S2	15,846	R2	18,237		
S3	14,750	R3	18,761		

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA
- RSI is below 50 (48)
- Stochastic is oversold
- Technically bullish last week, the high on the 05/01/24 had resulted in the futures creating a second divergence with the RSI, meaning the move had failed to hold. The move higher had not been large enough to signal an Elliott wave extension. Due to the futures moving lower on the divergence, support levels had become 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 held above this level, then we could be looking at a higher timeframe Elliott wave extension to the upside. The futures have continued to move lower with price trading in the Fibonacci support zone. Price is below the 8-21 period EMA's with the RSI below 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. Likewise, upside moves that fail at or below USD 18,761 will leave the futures vulnerable to further tests to the downside, above this level the USD 19,875 fractal high will start to become vulnerable.
- Technically bullish, we remain in a corrective phase with the MA on the RSI implying that momentum remains weak, indicating support levels are still vulnerable. The RSI has also broken support levels, warning resistance levels could hold if tested in the near-term. We are now at an inflection point, if we trade below USD 16,492, then the probability of the futures trading to a new high will start to decrease. This will also suggest that there will be a reduced chance of there being a bullish, higher timeframe Elliott wave cycle in play.



Capesize Cal 25



	Support	Resistance	Current Price	Bull	Bear
S1	16,137	R1	16,600	Stochastic oversold	RSI below 50
S2	15,469	R2			
S3	14,943	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA
- RSI is below 50 (49)
- Stochastic is oversold
- Technically bullish last week with the futures moving lower on the back of the divergence. We noted that downside moves below USD 17,375 would warn that the USD 16,630 – USD 15,469 Fibonacci support zone could come under pressure. As highlighted last week, the Elliott wave cycle warned that downside moves looked 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 would start to decrease. The futures traded below the USD 17,375 level, resulting in the USD 16,630 support being breached today (15/01/24). Price is below the 8-21 period EMA's with the RSI below 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. Likewise, upside moves that fail at or below USD 17,672 will leave the futures vulnerable to further tests to the downside, above this level the USD 18,225 fractal high will start to look vulnerable.
- Technically bullish but in a corrective phase, the MA on the RSI indicates that momentum remains weak at this point, whilst the RSI has broken support levels. This would suggest that upside moves have the potential to be countertrend in the near-term, implying any move higher could struggle to hold. However, the longer-term technical is indicating that we are currently in a higher timeframe corrective Elliott wave 4, 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.

