



# Capesize Technical Report

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

## Index

We rejected the 200-period MA last week, resulting in price moving lower today, having moved sideways for most of the previous week. We are below the weekly pivot level (USD 19,949) warning buyside momentum is weak, if the RSI moves back below its average, it will warn that the USD 14,375 fractal support is vulnerable. Conversely, if we do see a move back above the weekly pivot and the longer-term average, it will indicate that buyside momentum is increasing, meaning resistance levels could be tested.

## Feb 24

Technically bearish with a neutral bias. Momentum is conflicting, as the MA on the RSI is warning we have light momentum support; however, the RSI is below 50 with the stochastic in overbought territory, suggesting we move lower. We have opened below the weekly pivot point (USD 13,608) resulting in the futures selling lower; if the RSI moves below 44.5 then the USD 11,710 support could be tested and broken. If it is, then the technical will be back in bearish territory. The technical is suggesting that support levels are vulnerable; however, if we hold above the USD 11,710 level and close above the weekly pivot level, we could see resistance levels come back under pressure.

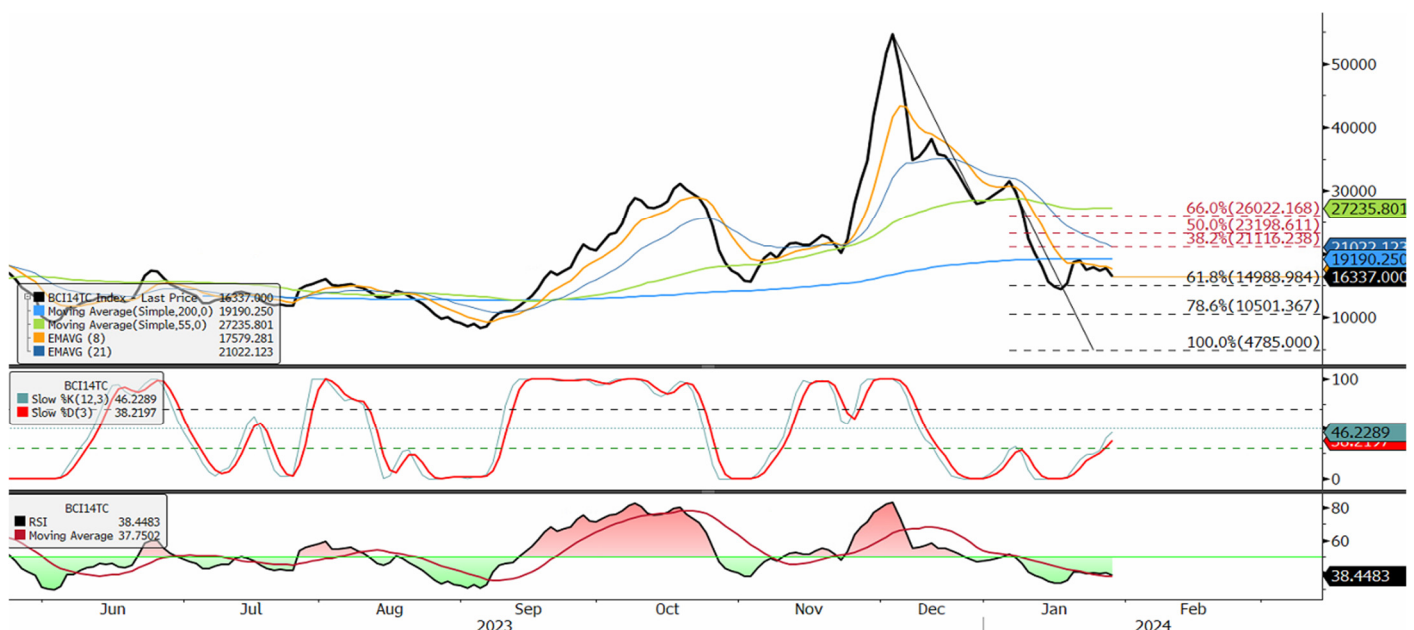
## Q2 24

Technically bullish with a potential upside target at USD 20,533. The MA on the RSI is flat, indicating momentum is neutral, whilst we have a negative divergence in play, meaning we are cautious on upside moves at these levels as they could struggle to hold on a new high. If we close below the weekly pivot level at USD 19,100, then we could see support levels come under pressure.

## Cal 25

We continue to remain in bullish territory with the RSI above its MA. However, the MA is warning that momentum is weak, whilst a move above USD 18,225 will create a negative divergence with the RSI. Not a sell signal it is a warning that we could see a momentum slowdown on a new high, suggesting caution on upside breakouts. The futures have opened the week below the weekly pivot level, resulting in a small move lower, if we close below this level, and the RSI moves below 50, then support levels could come under pressure.

# Capesize Index

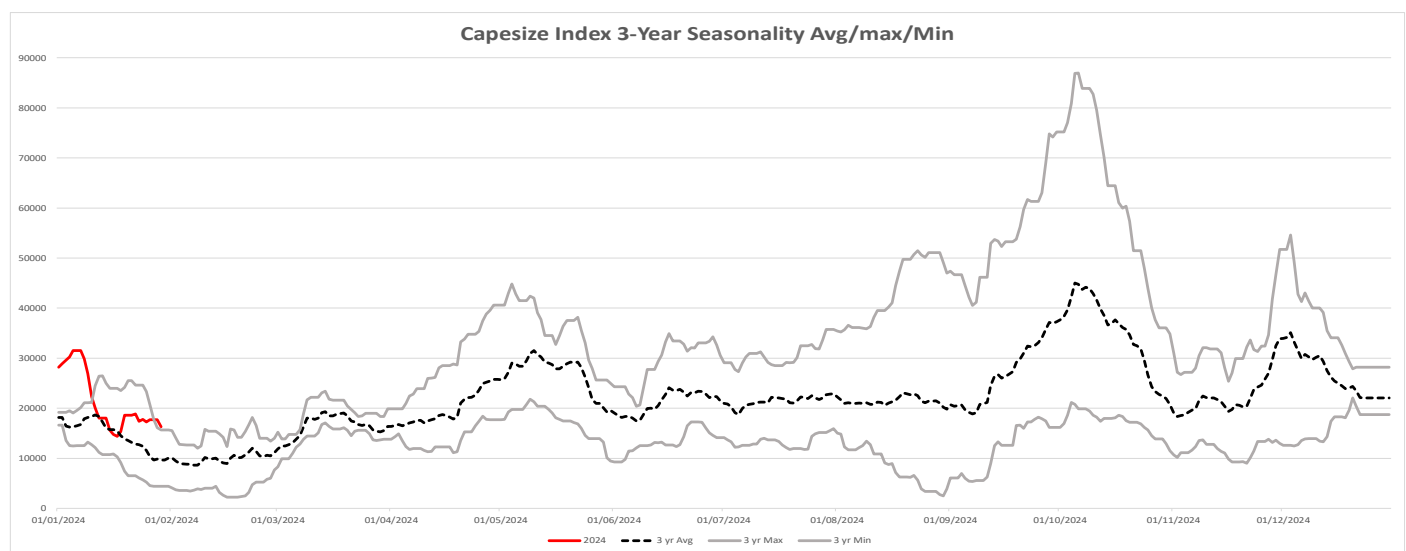


	Support	Resistance	Current Price	Bull	Bear
S1	14,988	R1	21,116		RSI below 50
S2	10,501	R2	23,198		
S3	4,785	R3	26,022		

## Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (38)
- Stochastic is below 50
- Price is above the weekly pivot point (USD 17,949)
- We remained technically bearish last week, the MA on the RSI suggested that momentum remained weak; however, the RSI was testing its average whilst price was testing the 200-period MA (USD 19,141). If we could close above and hold above the USD 19,141 level with the RSI at or above 43 then resistance levels would become vulnerable. Likewise, if we rejected the average, and close below the weekly pivot level (USD 17,197), it would warn that the USD 15,979 level could be tested and broken. If it was, then the USD 14,375 fractal low will become a target for market bears. The index rejected the average but moved sideways for the remainder of the week before selling lower today (29/01). 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 17,948 will mean it is aligned to the buy side. Upside moves that fail at or below USD 26,022 will leave the index vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, price is moving lower having rejected the 200 period MA (USD 19,190) with price below the weekly pivot point (USD 17,949), warning that the USD 14,375 fractal low is now vulnerable; however, we need to see the RSI move below 35.5 for confirmation of momentum weakness, as the RSI is above its average. If we do see a move above the weekly pivot and the 200-period MA, it will indicate that buy side momentum is increasing, warning that resistance levels could come under pressure.



# Capesize Feb 24 (1 Month forward)

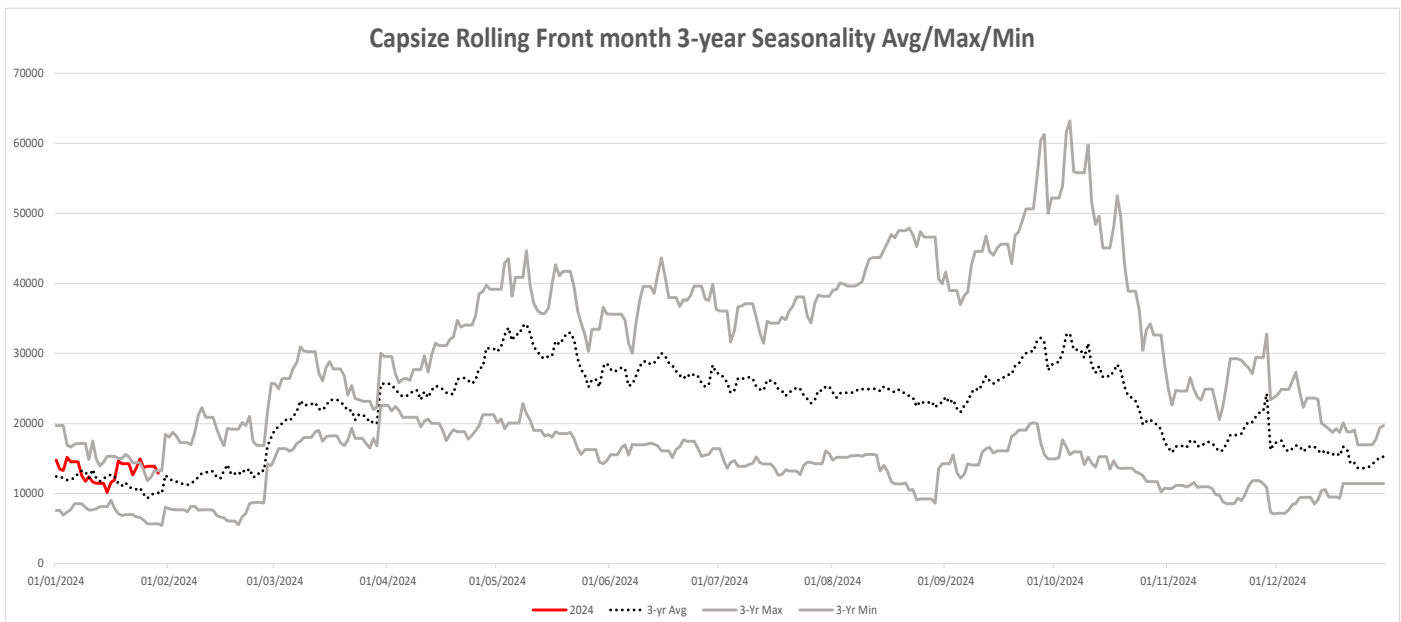


	Support	Resistance	Current Price	Bull	Bear
S1	11,710	R1	12,650		RSI below 50
S2	10,048	R2			
S3	8,499	R3			

## Synopsis - Intraday

- Price is below the 8-21 period EMA's
- RSI is below 50 (46)
- Stochastic is overbought
- Technically bearish with a neutral bias last week (bullish on the intraday, as we had broken a lower timeframe fractal resistance). The futures were correcting lower with the RSI below the 50 level; however, the RSI was above its MA which was showing signs of light bid support. USD 11,710 was the key support to follow, if this level was broken, then the technical would be back in bearish territory. If we could close above and hold above USD 13,083 (weekly pivot level), then we could see momentum moving back to the buyside, as the RSI was still holding above its average. The futures traded to a high of USD 15,075 before moving lower; however, we held above the weekly pivot level for the remainder of the week. Having moved lower on the open today (29/01), price is below all key moving averages with the RSI below 50.
- Downside moves that hold at or above USD 11,710 will support a near-term bull argument, if broken, then the USD 9,825 low will become vulnerable.
- We remain bearish with a neutral bias; the RSI is above its average which continues to warn of light bid support, we do have a momentum conflict here as the RSI is below 50 with the stochastic in overbought territory, suggesting we move lower. The futures opened below the weekly pivot level (USD 13,608) resulting in price selling lower on the open. If the RSI moves below 44.5 then the USD 11,710 support could be broken (it could theoretically be broken before the RSI moves lower), then the USD 9,825 fractal low could be tested and broken. Support levels are vulnerable at this point; however, if we hold above the USD 11,710 and close above the weekly pivot level, then resistance levels could come under pressure.

Source Bloomberg



# Capesize Q2 24

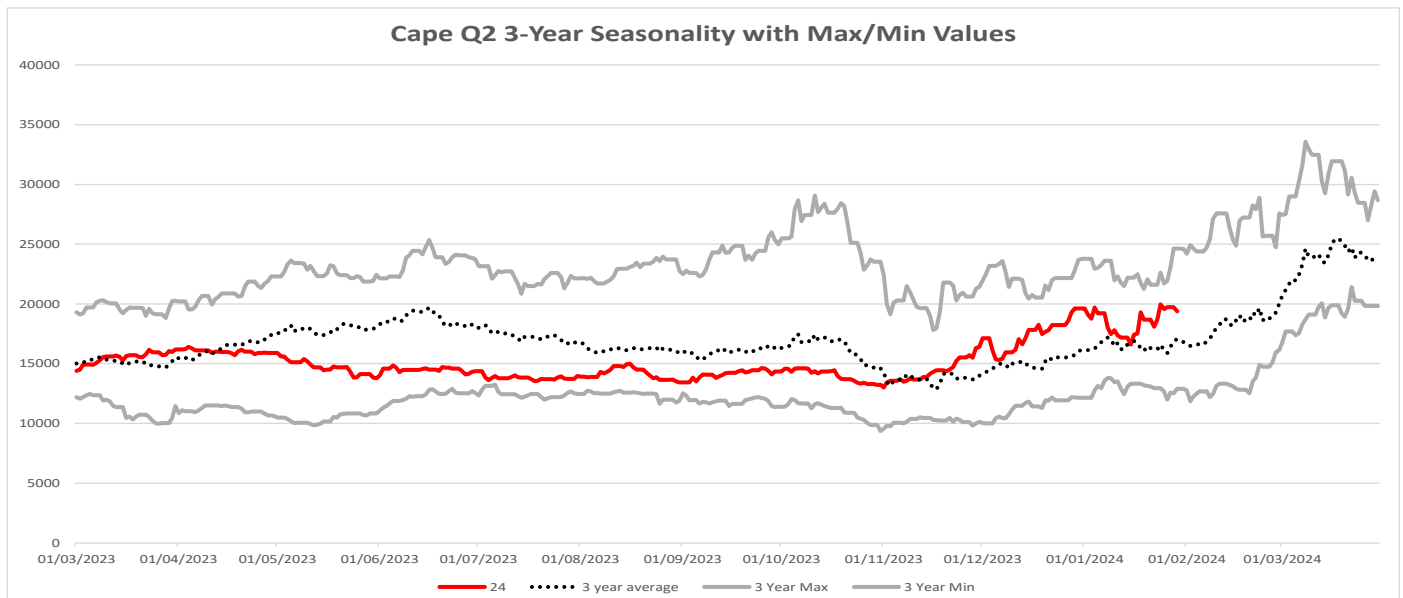


	Support	Resistance	Current Price	Bull	Bear
S1	19,100	R1	19,375	RSI above 50	Stochastic overbought
S2	17,558	R2			
S3	17,091	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is above 50 (57)
- Stochastic is overbought
- Technically bullish last week, the move to a new high signalled that we were seeing an Elliott wave extension; however, this also created a negative divergence with the RSI. Not a sell signal, it warned that we had the potential to see a momentum slowdown. Due to the divergence, we were cautious on upside moves. If we held above USD 17,558, then we have the potential to move higher; if broken, then the probability of the futures trading to a new high would start to decrease. The futures held above the USD 17,558 support, resulting in the futures trading up to, but not above the USD 20,000 level before seeing a small pullback. Price is above all key moving averages with the RSI above 50.
- Downside moves that hold at or above USD 17,558 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish with price above all key moving averages and the weekly pivot point (USD 19,100), we have a potential upside target for this phase of the cycle at USD 20,533. However, the MA on the RSI is flat, meaning momentum is neutral and there is quite a strong negative divergence in play that means we are cautious on upside moves at this point, as they could struggle to hold. If we do see a close below USD 19,100 then it will warn that momentum based on price is starting to weaken, implying support levels could come under pressure.



# Capesize Cal 25



	Support	Resistance	Current Price	Bull	Bear
S1	17,052	R1	18,225	RSI above 50	Stochastic overbought
S2	16,500	R2	18,775		
S3	16,137	R3	19,585		

Source Bloomberg

## Synopsis - Intraday

- Price is between the 8-21 period EMA
- RSI is above 50 (55)
- Stochastic is overbought
- Technically bullish, the futures were back in a corrective phase last week. The MA on the RSI continued to warn of momentum weakness, whilst the RSI was in the process of rejecting its average, implying support levels were vulnerable. Key near-term support was at USD 17,052, if we held above this level, then we had the potential to move higher. However, if broken, it would warn that we could be entering into a higher timeframe Elliott wave corrective phase. If this is the case, then key support to follow would be USD 15,469. The futures traded to a high of USD 17,925 before coming back under pressure, with price now USD 100 higher than last week. We are between the 8-21 period EMA's with the RSI above 50.
- Downside moves that hold at or above USD 17,052 will support a bull argument, below this level the USD 16,500 fractal support will start to become vulnerable.
- The futures remain in bullish territory with the RSI above its MA. However, the MA is warning that momentum is weak whilst a move above USD 18,225 will create a negative divergence with the RSI. We have opened below the weekly pivot level (USD 17,777) resulting in a small move lower, if we close below this level today (29/01) and the RSI moves back below its average, then we could see support levels come under pressure. We have a cautious view on upside moves due to the potential divergence above USD 18,225.

