



Capesize Technical Report

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Index

Technically we are still bearish based on price. However, we have opened the week with a move higher whilst price is above the weekly pivot point, the MA on the RSI is indicating we have light momentum support at this point. This is warning that the 200-period MA at USD 19,212 is looking vulnerable and could be tested and broken. If we close above and hold above this average then the Fibonacci resistance zone could come under pressure. Likewise, if the 200-period MA holds, then support levels will remain vulnerable.

Mar 24

The Feb contract held above key support levels last week with the MA on the RSI holding above its MA, resulting in a move higher. The futures have gapped higher on the roll into March, meaning we are now in bullish territory. We are above the 200-period MA whilst the MA on the RSI is indicating momentum is supported. The intraday RSI is making new highs, suggesting downside moves should be considered as countertrend, making USD 16,660 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease.

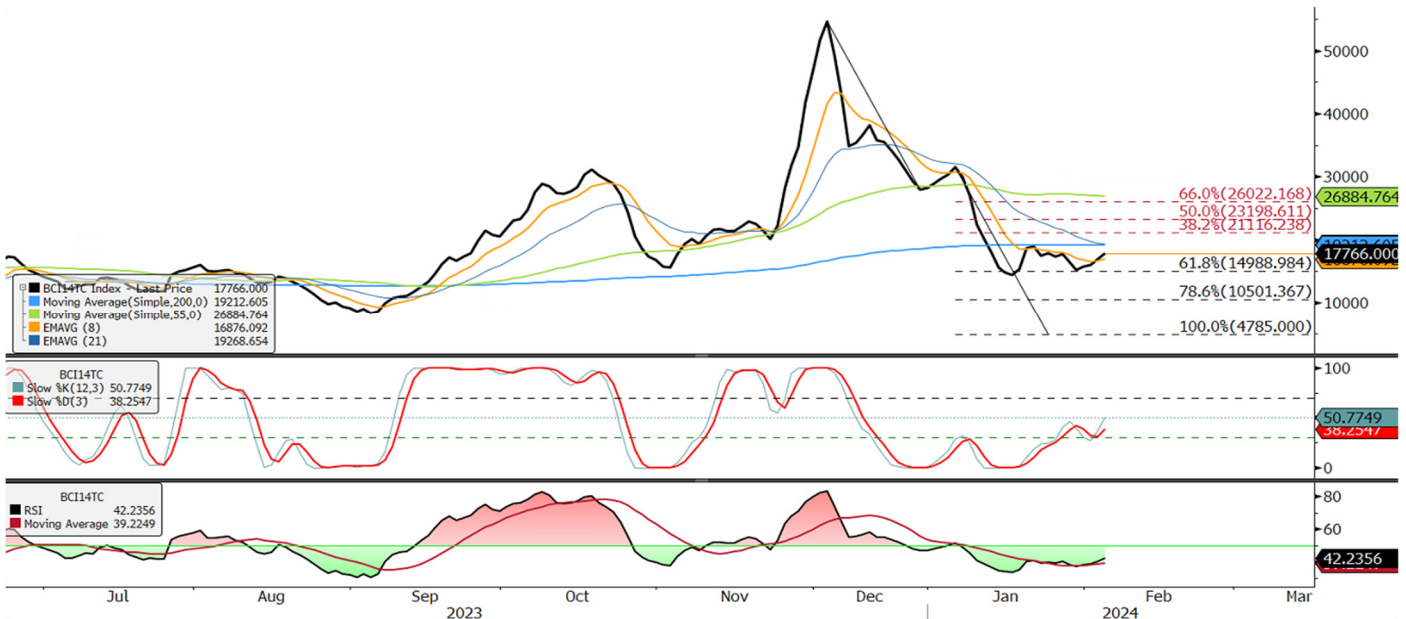
Q2 24

We were a cautious bull last week due to the divergence that was in play. However, the corrective move held above the USD 19,100 weekly pivot support, resulting in the futures trading through our upside target level of USD 20,533. The Upside move has broken out target level by a significant margin with the intraday RSI making new highs, suggesting we are looking at a bullish Elliott wave extension. The daily RSI is in divergence, but due to the Elliott wave extension, downside moves look like they will be countertrend, making USD 18,620 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease.

Cal 25

We had a cautious view on upside moves last week due to the price going into divergence above USD 18,225. We noted that if we closed below USD 17,777 and the RSI moved below its average then support levels could come under pressure. The close below USD 17,777 on the 29/01 did not have RSI support as we remained above the MA, the following close on the 30/01 back above this level warned there was buy-side support in the market. We have traded to new highs meaning we are in divergence with the RSI; however, like the Q2 the intraday RSI is making new highs, indicating downside moves should be considered as countertrend, implying we are seeing a bullish Elliott wave extension. The daily technical is in divergence warning we could see a momentum slowdown, making USD 17,562 the key support to follow, if broken then the probability of the futures trading to a new high will start to decrease. Bullish and in divergence but with downside moves looking like they will be countertrend.

Capesize Index

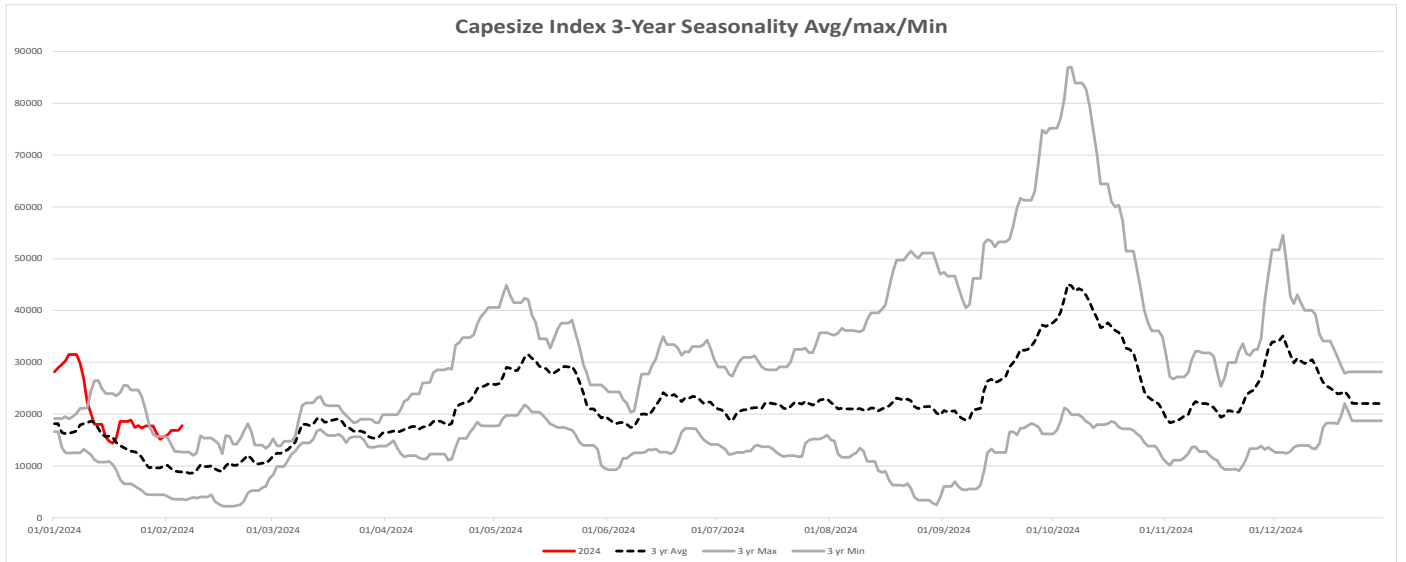


	Support	Resistance	Current Price	Bull	Bear
S1	14,988	R1	21,116		RSI below 50
S2	10,501	R2	23,198		
S3	4,785	R3	26,022		

Synopsis - Intraday

Source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is below 50 (42)
- Stochastic is at 50
- Price is above the weekly pivot point (USD 16,268)
- Technically bearish last week, price was 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 was vulnerable; however, we noted that we needed to see the RSI move below 35.5 for confirmation of momentum weakness, as the RSI was above its average. If we did see a move above the weekly pivot and the 200-period MA, it would indicate that buyside momentum was increasing, warning that resistance levels could come under pressure. The RSI held above its average last week, resulting in support levels holding and the index starting to turn higher; however, we remained below the weekly pivot and 200-period MA. We are between the 8-21 period EMA's with the RSI still below 50.
- Momentum based on price is aligned to the buyside, a close below USD 16,268 will mean it is aligned to the sell 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 we are still bearish based on price; however, the index has opened above this week's pivot level (USD 16,268), supporting the near-term upside move we are seeing. The MA on the RSI has a slight turn in it to the upside, warning of light momentum support. Coupled with price above the weekly pivot point, this is warning that the 200-period MA at USD 19,212 could be tested and broken. If we close above and hold above the average, then the Fibonacci resistance zone could come under pressure; likewise, a rejection of the average will warn that support levels remain vulnerable.



Capesize March 24 (1 Month forward)

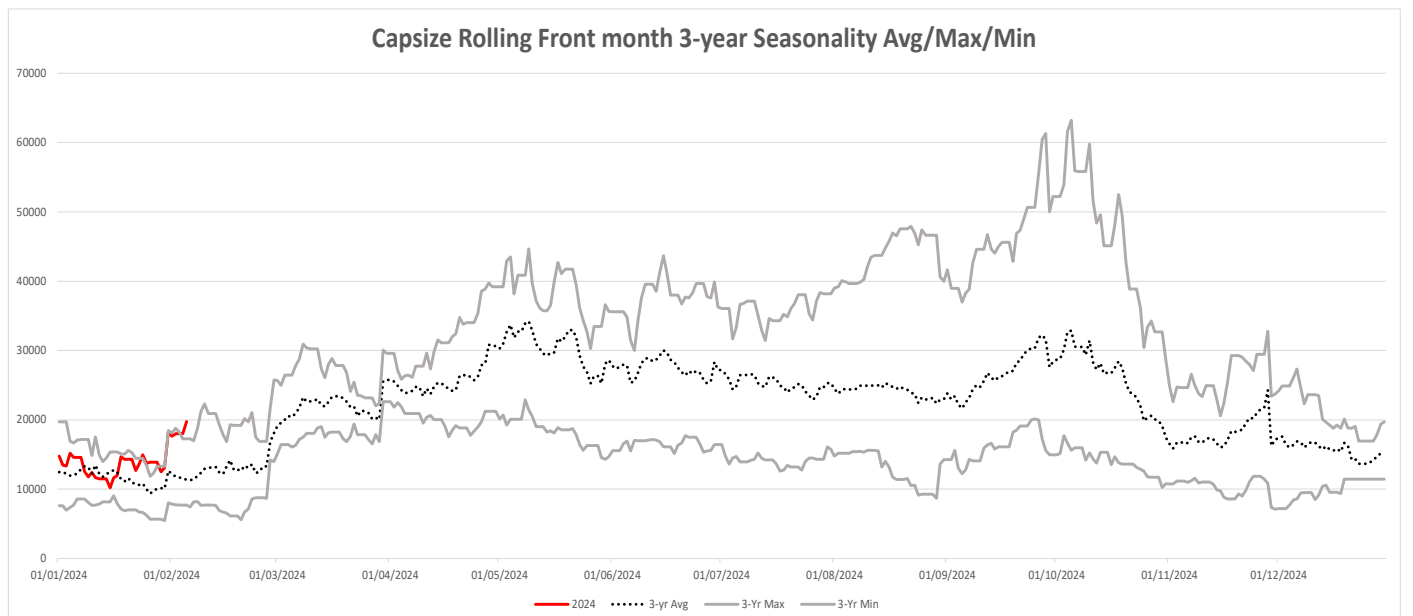


	Support	Resistance	Current Price	Bull	Bear
S1	16,789	R1	19,750	RSI above 50	Stochastic overbought
S2	15,875	R2			
S3	14,635	R3			

Synopsis - Intraday

- Price is above the 8-21 period EMA's
- RSI is above 50 (58)
- Stochastic is overbought
- We remained bearish with a neutral bias last week; the RSI was above its average which continued to warn of light bid support, we did have a momentum conflict as the RSI was below 50 with the stochastic in overbought territory, suggesting we move lower. The futures had opened below the weekly pivot level last week (USD 13,608) resulting in price selling lower on Mondays open. If the RSI moved below 44.5 then the USD 11,710 support could be broken (it could theoretically be broken before the RSI moves lower), if it was, then the USD 9,825 fractal low could also come under pressure. Support levels were vulnerable; however, if we held above the USD 11,710 and closed above the weekly pivot level, then resistance levels could come under pressure. The futures traded to a low of USD 12,000 resulting in the RSI holding above its average, meaning support levels held and the futures moved higher. We have now rolled into the March contract, meaning we have seen price gap higher. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 14,635 will support bull argument, if broken, then the technical will have a neutral bias.
- Technically bullish, the MA on the RSI is implying momentum is supported, whilst the futures are holding above the 200-period MA (USD 16,437) with the weekly pivot point at USD 16,216. If we look at the intraday technical, we can see that the RSI is making new highs, suggesting downside support levels should hold if tested (I.E., be countertrend), making USD 16,660 the key level to follow. If broken, then the probability of the futures trading to a new high will start to decrease.

Source Bloomberg



Capesize Q2 24

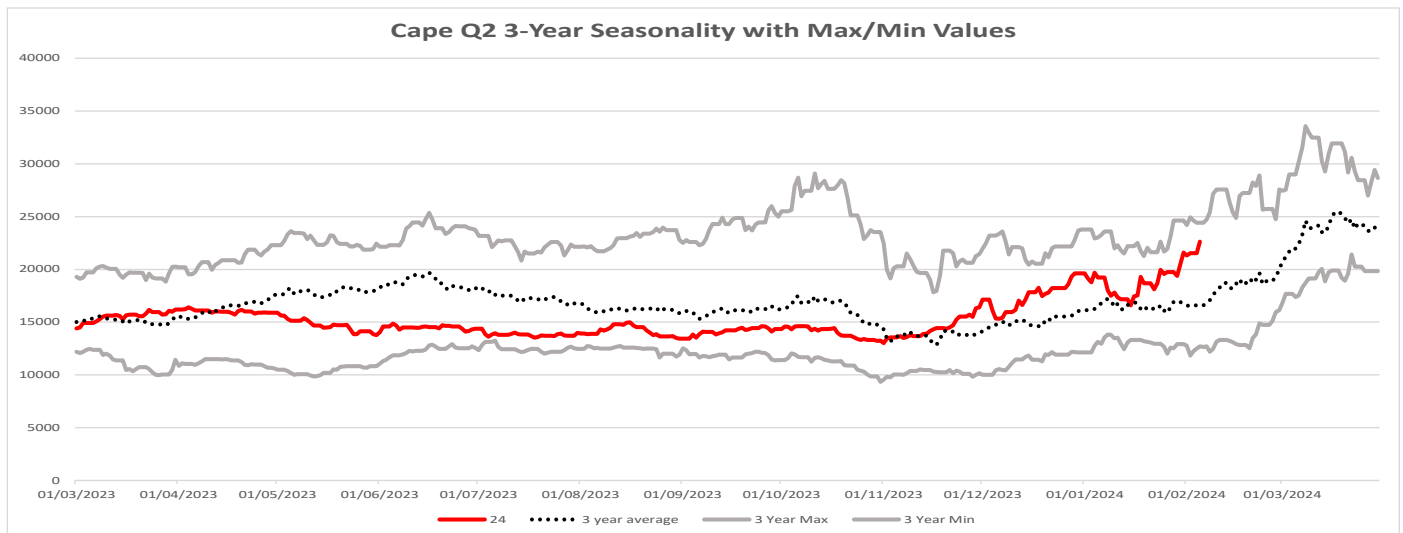


	Support	Resistance	Current Price	Bull	Bear
S1	20,517	R1	23,150	RSI above 50	Stochastic overbought
S2	19,712	R2	24,999		
S3	18,620	R3	26,575		

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is above 50 (69)
- Stochastic is overbought
- Technically bullish last week with price above all key moving averages and the weekly pivot point (USD 19,100), we had a potential upside target for this phase of the cycle at USD 20,533. However, the MA on the RSI was flat, meaning momentum was neutral whilst there was quite a strong negative divergence in play that meant we were cautious on upside moves, as they could struggle to hold. If we did see a close below USD 19,100 then it would warn that momentum based on price was starting to weaken, implying support levels could come under pressure. The futures traded to a low of USD 19,175, meaning we held above the weekly pivot level, resulting in the futures trading through our upside target of USD 20,533, to a high of USD 23,125. We remain above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 18,620 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI is indicating momentum is supported but the RSI is in divergence. This is not a sell signal, but it does warn that we could see a momentum slowdown and still needs to be monitored. Countering this, we had a potential upside target at USD 20,533 for this phase of the cycle last week, which has been broken by a significant margin. The continued strength of the upside moves is suggesting that we are seeing an Elliott wave extension. We are in divergence on the daily chart, but the near-term intraday RSI is making new highs, suggesting downside moves should be considered as countertrend at this point, making USD 18,620 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease.



Capesize Cal 25



Support	Resistance	Current Price	Bull	Bear
S1	R1	19,625	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
- The futures remained in bullish territory last week with the RSI above its MA. However, the MA warned that momentum was weak whilst a move above USD 18,225 would create a negative divergence with the RSI. We had opened below the weekly pivot level (USD 17,777) resulting in a small move lower, if we close below this level (29/01) and the RSI moved back below its average, then we could see support levels come under pressure. We had a cautious view on upside moves due to the potential divergence above USD 18,225. The downside move on the 29/01 failed to hold (the RSI held above its MA), resulting in the futures trading back above and closing above the USD 17,77 level on the 30/01, warning there was buy-side support in the market. This was followed by an upside move to new highs. Price is above all key moving averages with the RSI above 50.
- Downside moves that hold at or above USD 17,562 will support a bull argument, below this level the technical will have a neutral bias.
- Like the Q2 we have traded to new highs with the MA on the RSI indicating momentum is supported. We also have the same intraday footprint, as the near-term RSI is making new highs, suggesting downside moves now look to be countertrend, meaning we are looking at a bullish Elliott wave extension. The daily technical remains in divergence with the RSI, warning we could see a momentum slowdown; however, based on the intraday wave cycle, moves lower should be against the trend, making USD 17,562 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease.

