



# Capesize Technical Report

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## Index

Technically bullish with price moving lower on the back of a negative divergence whilst the MA on the RSI starting to turn lower. This is warning that momentum is showing signs of weakness; however, the turn is marginal at this point, and needs monitoring. We have a small resistance zone between USD 34,022 – USD 34,148, a close above this zone will indicate buy-side pressure is increasing, warning that USD 35,780 fractal resistance could be tested and broken. If it is, then the index will be in divergence with the RSI, not a sell signal it is a warning that we could see a momentum slowdown. We only need a small move higher tomorrow to break the resistance zone; however, due to the divergence that will form above USD 35,780, it suggests caution on upside breakouts. One major conflict on this technical will be that the index could be in divergence whilst its RSI is above 64 (a bullish signal). Although we are cautious on upside moves, be aware that the divergence could fail if the RSI moves above this level.

## April 24

We noted last week that the futures looked to be on a lower timeframe wave 5 with price moving lower on the back of a negative divergence with the RSI. The move below USD 32,965 had warned that we could be entering a higher timeframe corrective wave 4, our intraday Elliott wave analysis looks to have confirmed that this is the case (on the second time we breached the support). A move above USD 37,750 will mean that we are on a bullish impulse wave 5 for this phase of the cycle, downside moves are still considered as countertrend at this point. We are moving higher on strong bid support today (18/03); however, we have a note of caution on this upside move due to the rule of alternation between the corrective waves 2 and 4. As 2 was shallow, as a rule 4 is usually expected to be deeper, for this reason we are a cautious bull.

## Q2

Technically bullish but in a corrective phase, the MA on the RSI is warning that momentum is weak at this point; however, the futures are trading above the weekly pivot level, a close above it would suggest that buy-side momentum (pressure) is increasing. Our Elliott wave analysis does suggest that downside moves should be considered as countertrend at this point, with USD 30,300 the key fractal support to follow. For downside continuation, we will need to see a close below this level.

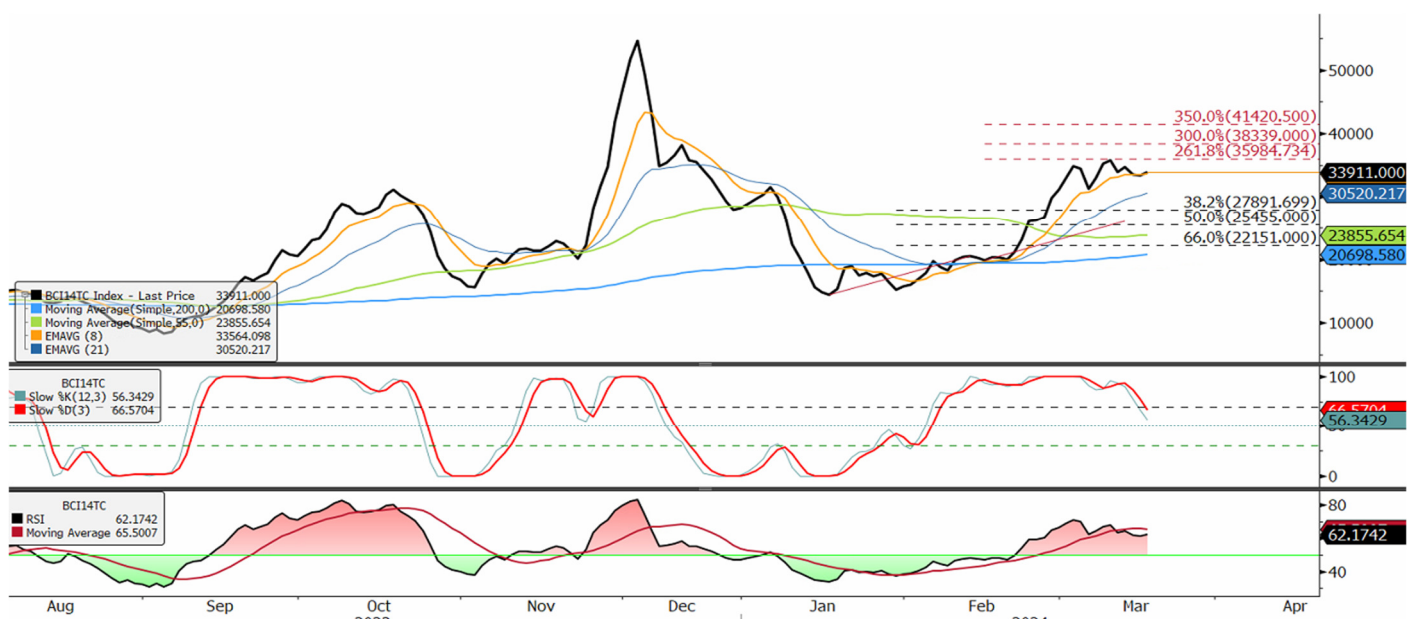
## Cal 25

Technically bullish, we now look to be in a countertrend corrective wave 4 of this phase of the cycle. Price is below the weekly pivot point (USD 21,308), if we close above it, then it will imply buy-side pressure is increasing. Momentum is conflicting as the MA on the RSI warns of weakness, but the RSI is above 50 whilst the stochastic is oversold, meaning we could see a move higher. Momentum is neutral, price is moving higher, but we remain within the corrective phase, meaning we could still move lower in the near-term; however, our wave analysis is suggesting there is still another upside move to come within this phase of the cycle.

## C5 April

Technically bullish but in a corrective phase; as noted last week, the previous move looks to be bullish impulse suggesting that the current move lower looks like it could be countertrend. The MA on the RSI is warning that momentum is starting to weaken; however, with the market seeing bid support today (18/03) we could be testing the USD 12.15 – USD 12.31 resistance zone (data is close only). A close above this level will indicate that buy-side pressure is increasing, warning the USD 13.09 fractal high could be tested and broken.

# Capesize Index

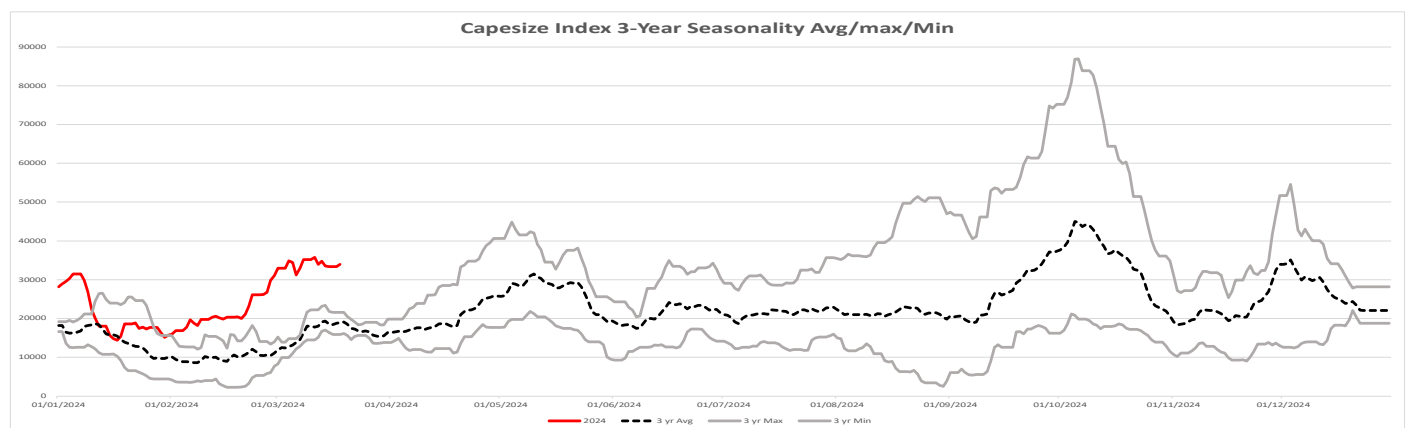


	Support	Resistance	Current Price	Bull	Bear
S1	27,891	R1	35,984	RSI above 50	
S2	25,455	R2	38,339		
S3	22,151	R3	41,420		
			33,911		

### Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (62)
- Stochastic above 50
- Price is below the weekly pivot point (USD 34,148)
- Technically bullish last week, the new high had created a minor divergence with the RSI, not a sell signal it warned that we could see a momentum slowdown, which would need to be monitored. We were above the weekly pivot level (USD 33,887), with above the momentum based on price aligned to the buyside (USD 33,097). If we closed below the USD 33,097 level it would warn that the technical condition was weakening, meaning support levels could come under pressure. Likewise, if we moved lower but held above the USD 33,887 level, or moved higher and the divergence failed, it would imply upside continuation within the existing trend. A cautious bull due to the divergence. We entered a small corrective phase on the back of the divergence with the index trading to a low of USD 33,332, before finding light bid support today (18/03/24). We remain above all key moving averages supported by the RSI above 50.
- Momentum based on price (MBP) is aligned to the sell side, a close above USD 34,022 will mean it is aligned to the buyside. Downside moves that hold at or above USD 22,151 will support a bull argument, below this level the technical will have a neutral bias.
- We remain in bullish territory having corrected a little on the back of the negative divergence with the RSI. The MA on the RSI is starting to turn lower; warning momentum is starting to show early signs of weakness. MBP is at USD 34,022 with the weekly pivot level at USD 34,148, creating a minor resistance zone that will need to be monitored. If we close above this area, it will imply buyside momentum is increasing, warning that the USD 35,780 fractal resistance could come under pressure. We maintain a cautious view on upside moves at this point due to the MA on the RSI implying momentum weakness, whilst a move above USD 35,780 will create further negative divergences with the RSI, suggesting caution on upside breakouts. One major confliction on this technical will be that the index could be in divergence whilst its RSI is above 64 (a bullish signal). Although we are cautious on upside moves, be aware that the divergence could fail if the RSI enters bullish territory.



# Capesize April 24 (1 Month forward)

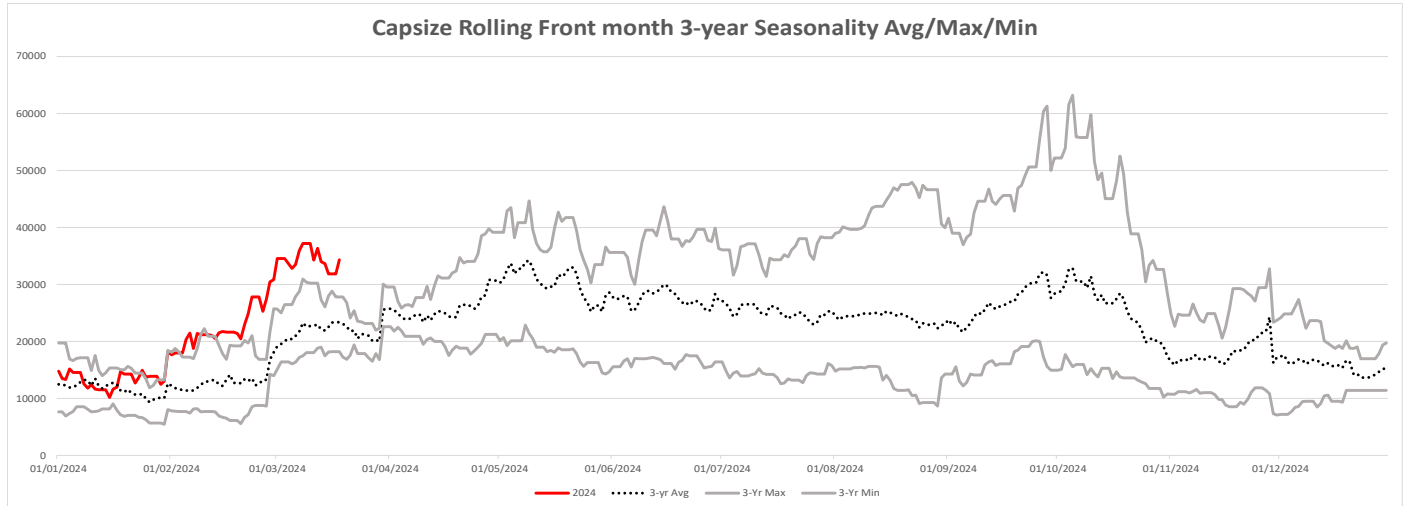


	Support	Resistance	Current Price	Bull	Bear
S1	31,112	R1	34,300	RSI above 50	
S2	29,062	R2			
S3	26,282	R3			

### Synopsis - Intraday

- Price is above the 8-21 period EMA's
- RSI is above 50 (61)
- Stochastic is overbought
- Technically bullish last week, the pullback followed by a new high would suggest that we are now on the fifth leg of the lower timeframe wave cycle, the futures were moving lower on the back of an intraday divergence, warning support levels were starting to look vulnerable. If we held above the USD 32,965 level, it would imply that we remained on the bullish 5th wave, if broken, then the probability of the futures trading to new high would start to decrease. This would then suggest we are possibly entering the higher timeframe corrective wave 4 (still countertrend), making USD 26,282 the key support to follow. The futures sold lower with price breaching the USD 32,965 support, the intraday morning technical is suggesting price is now in a corrective Elliott wave 4. We are finding bid support with price above all key moving averages whilst the RSI is above 50.
- Downside moves that hold at or above 26,282 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI is starting to turn lower warning of momentum weakness. Our Elliott wave analysis is suggesting that downside moves should be considered as countertrend. Upside moves above USD 37,750 will confirm that we are on a bullish impulse wave 5 for this phase of the cycle, but this will also create a negative divergence with the RSI. Not a sell signal it does warn that we could see a momentum slowdown on an upside breakout, which will need to be monitored. As noted in the morning technical, we have a note of caution on upside moves as the corrective wave 2 was shallow, which suggests the wave 4 could be deeper (rule of alternation). A cautious bull at this point, as we are still in the corrective phase despite the upside move.

Source Bloomberg



# Capesize Q2 24

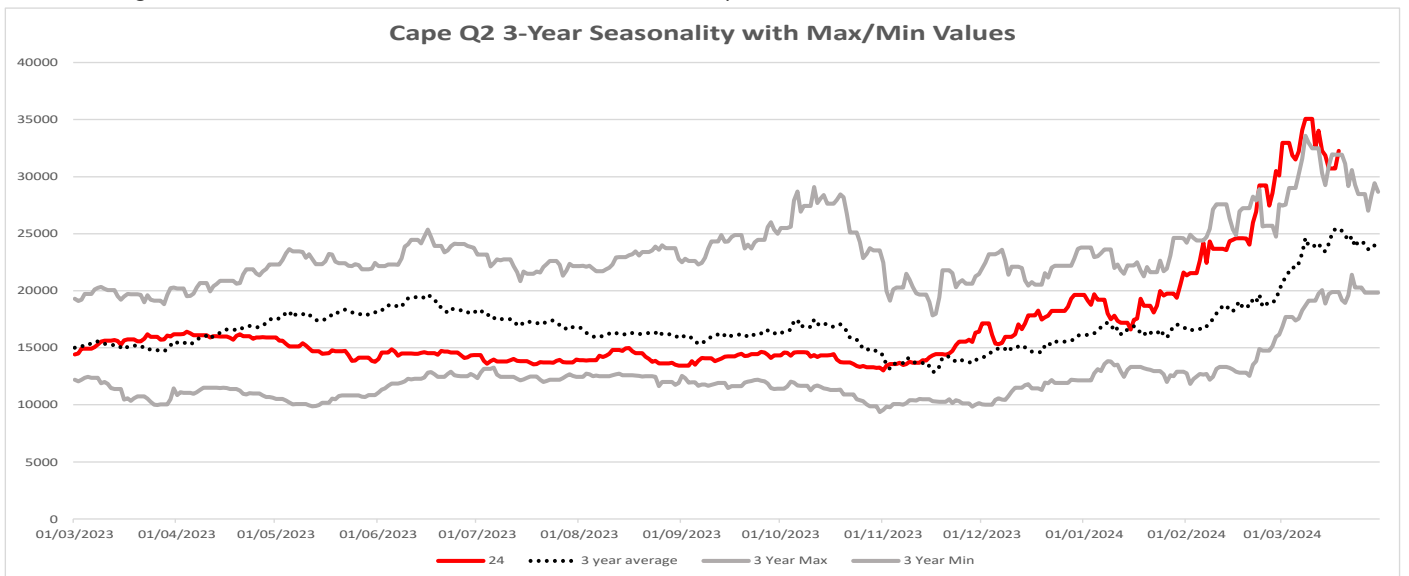


	Support	Resistance	Current Price	Bull	Bear
S1	31,802	R1	33,250	RSI above 50	Stochastic overbought
S2	28,042	R2			
S3	25,800	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is above 50 (68)
- Stochastic is overbought
- Technically bullish last week, the futures were moving lower on the back of an intraday divergence, warning that the USD 31,802 support was starting to look vulnerable. If broken, then the probability of the futures trading to a new high in this phase of the cycle would start to decrease, warning we could be entering a higher timeframe Elliott wave 4 (still countertrend). If the USD 31,802 level holds then it will warn there could be further upside within this current lower timeframe Elliott wave 5. However, we did have a note of caution if we stayed at these levels (on the 11/03) going into the close, at it meant we had an island reversal (3-river evening star) pattern that warned we could move lower again. The futures have entered a corrective phase with price trading below the USD 31,802 support; lower timeframe Elliott wave analysis would suggest that we have entered the higher timeframe corrective wave 4. We are above the 8-21 period EMA's with the RSI above 50.
- Downside moves that hold at or above USD 22,760 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish but in a corrective phase, the MA on the RSI is warning that momentum is showing signs of weakness. We are trading above the weekly pivot level (USD 31,196), if we close above it on the daily chart it will imply that buyside momentum is increasing. Likewise, a close below it will warn that the USD 30,300 fractal low is vulnerable. We maintain our view that downside moves should be considered as countertrend but would need to see the futures close below the USD 30,300 level to signal further downside continuation within the corrective phase.



# Capesize Cal 25

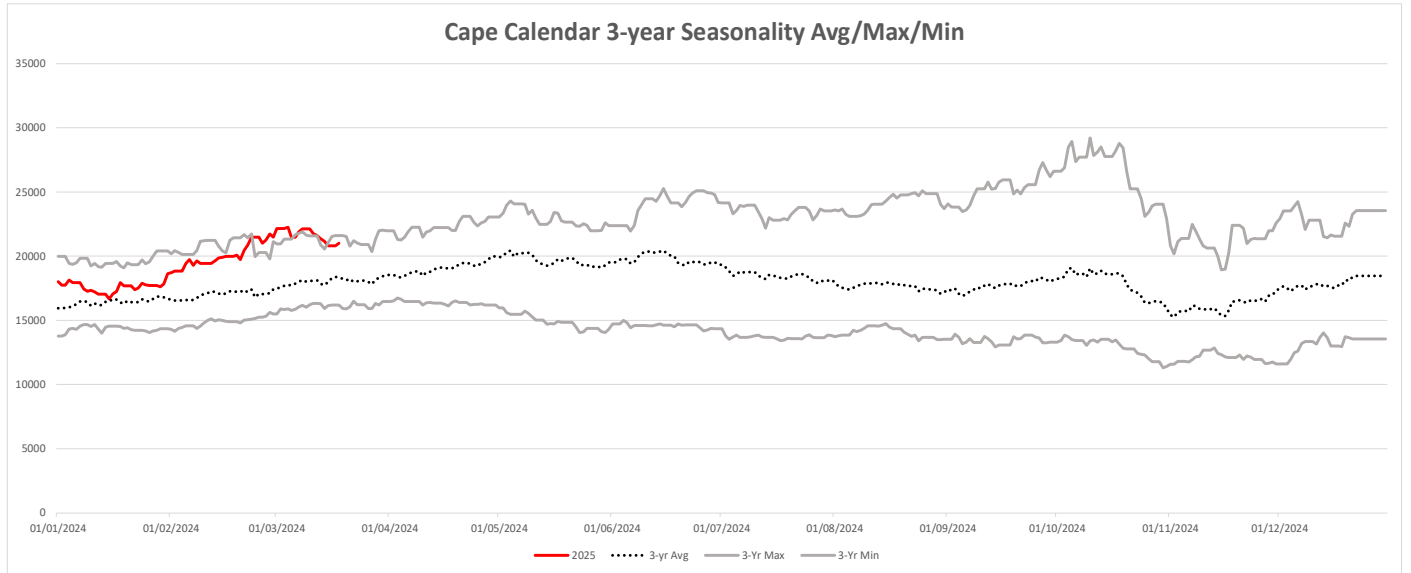


	Support	Resistance	Current Price	Bull	Bear
S1	20,362	R1	22,775	RSI above 50	
S2	19,625	R2	23,760		
S3	18,625	R3	24,600		

Source Bloomberg

### Synopsis - Intraday

- Price is between the 8-21 period EMA
- RSI is above 50 (57)
- Stochastic is above 50
- Technically bullish on the last report, the futures were moving lower in what looked to be a countertrend move, at that point we still looked to be on an Elliott wave 3 of wave 3. The EMA's remain well spaced, implying the trend was stable with USD 18,625 the key support to follow. If broken the probability of the futures trading to a new high within this phase of the cycle would start to decrease, warning we were potentially entering a higher timeframe wave 4 (still countertrend). We remained cautious on upside moves as price remained corrective, if we closed below the weekly pivot level USD 21,900 it will imply that sell side momentum was increasing. The futures continued to move lower, confirming that we were on a lower timeframe corrective wave 4. We are between the 8-21 period EMA's with the RSI above 50.
- Downside moves that hold at or above USD 18,625 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures now look to be in a corrective countertrend wave 4 with price currently below the weekly pivot point at USD 21,308, a close above this level will imply that buy-side pressure is increasing. Momentum is conflicting as the MA on the RSI warns of weakness; however, this is countered by the RSI above 50 whilst the stochastic is overbought, implying we could move higher. Momentum is neutral, we may move lower in the near-term, but our wave analysis is suggesting there is still another upside move to come within this phase of the cycle.





## Capesize C5 April (Rolling Front Month Heikin Ashi Chart)



Support	Resistance	Current Price	Bull	Bear
S1	R1	11.88	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

- Heikin-Ashi—This is a blended price to create a candlestick chart rather than a line chart. The chart is based off close only data
- Price is between the 8-21 period EMA
- RSI is above 50 (60)
- Stochastic is overbought
- Technically bullish last week, the futures were in divergence with the RSI, not a sell signal, it warned that we had the potential to see a momentum slowdown which would need to be monitored. We noted that the current move higher was greater than 161.8% of the previous wave, suggesting it was a bullish impulse wave 3, meaning downside moves looked like they could be countertrend. This was supported by the RSI making new highs, which also indicated that downside moves could be against the trend. We did have a note of caution due to the divergence in play, if we closed below the weekly pivot level (USD 12.70) it would warn that sell side momentum was increasing, meaning the Fibonacci support zone could come under pressure in the near-term. The futures closed below the weekly pivot level with price trading to a low of USD 11.88. We are between the 8-21 period EMA's with the RSI above 50.
- Downside moves that hold at or above USD 10.60 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish but in a corrective phase, the MA on the RSI is warning that momentum is starting to weaken. However, as highlighted last week, the last upside move looks to have been bullish impulse, implying the current move lower is potentially countertrend. Momentum based on price is aligned to the sell side, a close above USD 12.31 will mean it is aligned to the buy side, the futures are also below the weekly pivot level at USD 12.15. This is creating a small resistance zone, a close above this level will indicate that buy side pressure is increasing, warning the USD 13.09 fractal high could be tested and broken.

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