



Capesize Technical Report

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Index

Having held above the support zone last week the index witnessed a small move higher. However, the upside move is now rejecting the 55-period MA (USD 24,933) and the Fibonacci resistance zone. With MBP aligned to the sell side (USD 22,908) whilst below the weekly pivot level (USD 22,703) it suggests that sell side pressure is increasing, meaning support levels are starting to look vulnerable. A close below the 200-period MA (USD 21,792) will further weaken the technical, warning that the secondary trend support at USD 18,460 could come under pressure. If we move higher and close above the resistance zone (USD 22,703 – USD 22,908), it will imply that we could see upside continuation. We are vulnerable to a move lower in the near-term as price is below the resistance zone; however, the technical suggests caution if we approach the secondary and primary support lines.

May 24

Having traded above USD 28,750 double top the move failed to hold, resulting in the futures selling lower. We have broken an intraday triangle pattern to the downside with price below the weekly pivot level, implying sell side pressure is increasing. We now need to hold below trend support for downside continuation, a close back above the resistance line (USD 26,141) would suggest market sellers will need to be cautious. The RSI is below 50 whilst the stochastic is moving below 70, warning support levels could come under pressure.

Q3 24

Having traded up to and rejected the USD 28,375 resistance for the second time the futures have started to sell lower. We are below the weekly pivot level (USD 27,500) and trend support (USD 26,671), if we close below and hold below the trend line, then the USD 24,625 fractal low will start to look vulnerable. Likewise, a close back above the trend line will warn that there remains buyside support in the market, warning resistance levels could come under pressure. Having rejected the RSI resistance whilst below the weekly pivot, support levels are looking vulnerable, market sellers will now want to keep price below trend support.

Cal 25

Having briefly traded to a new high last week the futures are moving lower on an intraday divergence with the RSI. We are below the weekly pivot level (USD 21,113), if we close below this level it will warn that sell side pressure is increasing. A close back above the weekly pivot level will mean resistance levels remain vulnerable. The failure to hold the upside move is warning that sell side pressure is increasing, meaning we could move lower in the near-term. However, the longer-term Elliott wave cycle remains bullish, implying downside moves have the potential to be countertrend.

C5 May

The futures traded to a high of USD 11.50 before entering a small corrective phase, meaning key resistance at USD 12.10 remains intact, suggesting support levels are starting to look vulnerable. Price is below the weekly pivot level (USD 11.24) but the MA on the RSI is warning that we could still have light momentum support. If we remain below the USD 11.24 level, and the RSI moves below its average, then support levels could come under pressure. We are turning lower, but probably need to see another close lower to confirm that momentum based on price is starting to weaken.

Capesize Index

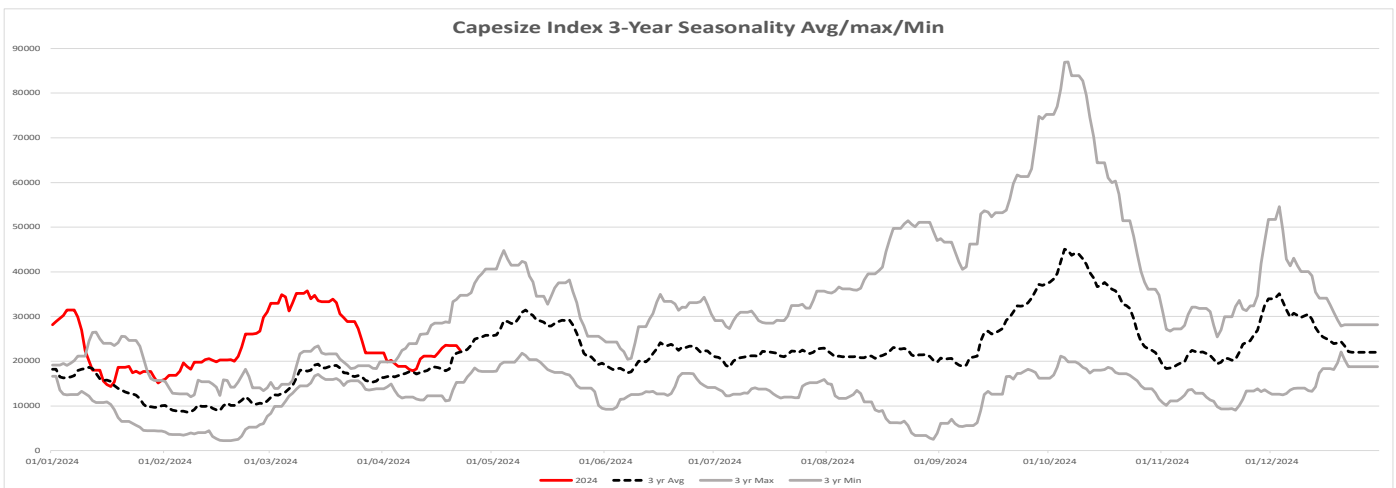


	Support	Resistance	Current Price	Bull	Bear
S1	21,792	R1	22,703		RSI below 50
S2	18,460	R2	24,931		
S3	15,130	R3	27,003		

Synopsis - Intraday

Source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is below 50 (46)
- Stochastic is overbought
- Price is below the weekly pivot point (USD 19,309)
- Technically bearish last week, the index remained below the 200-period MA (USD 21,575) with price starting to turn lower. We had a small support zone between the MBP and weekly pivot levels (USD 19,555 – USD 20,060). A close below this level would warn that the USD 17,854 fractal support could come under pressure; likewise, if support held and we closed above the 200-period MA, we could see resistance levels be tested. The RSI was above its MA which was starting to flatten, indicating sell side momentum was slowing down. We are cautious on downside moves due to the secondary and primary trend supports. We held above the USD 19,555 – USD 20,060 support zone with price closing above the 200-period average. Having traded to a high of USD 23,598, the index has now started to turn lower.
- Momentum based on price (MBP) is aligned to the sell side, a close above USD 22,908 will mean it is aligned to the buy side. Upside moves that fail at or below USD 29,811 will leave the index vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the upside move is rejecting the 55-period MA (USD 24,933) and the Fibonacci resistance zone. MBP is aligned to the sell side with price below the weekly pivot level (USD 22,703), warning sell side pressure is increasing, meaning support levels are vulnerable in the near-term. A close below the 200-period MA (USD 21,792) will further weaken the technical, warning that the secondary trend support at USD 18,460 could come under pressure. Likewise, a close above the USD 22,703 – USD 22,908 resistance zone will imply that we could see upside continuation. Momentum is conflicting as the MA on the RSI is imply it is supported, but the RSI is below 50 whilst the stochastic is overbought. If the RSI remains below 50, we could see a move lower; however, above 50 the stochastic is considered as less relevant. We are vulnerable to a move lower in the near-term, but the technical would suggest caution if we start testing the secondary and primary trend supports.



Capesize May 24 (1 Month forward)

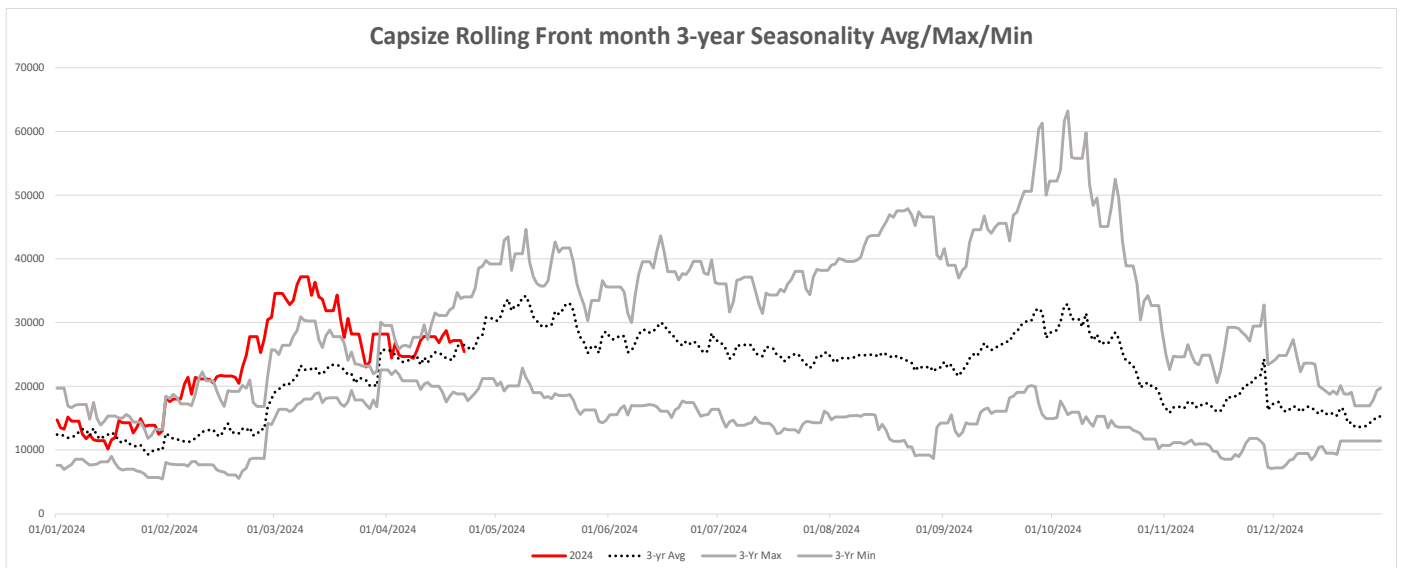


	Support	Resistance	Current Price	Bull	Bear
S1	22,477	R1	25,125	RSI above 50	Stochastic overbought
S2	21,250	R2			
S3	20,375	R3			

Synopsis - Intraday

- Price is between the 8-21 period EMA's
- RSI is at 50 (50)
- Stochastic is overbought
- The futures remained bullish with a neutral bias last week. The technical was at an inflection point, as we had an intraday double top at USD 28,750 with the weekly pivot level at USD 26,500. If could hold above the 26,500 level and close above the USD 28,750 fractal resistance, then the futures had the potential to test the USD 32,140 Fibonacci resistance. However, a close below that held below the weekly pivot level would warn that sell side pressure was increasing. The MA on the RSI had started to flatten, implying sell side momentum was slowing, whilst the intraday RSI had broken resistance, implying downside moves had the potential to be countertrend in the near-term. The futures traded above the USD 28,750 double top; however, the move failed to hold due to an intraday divergence (highlighted in the morning technicals last week). We have since sold lower with the futures opening the day below trend support. Price is below the 8-21 period EMA's with the RSI below 50.
- Upside moves that fail at or below USD 32,140 will leave the futures vulnerable to further tests to the downside, above this level the USD 37,750 fractal high will start to look vulnerable.
- Technically bearish, we have broken an intraday triangle pattern to the downside with price below the weekly pivot level (USD 27,608), warning sell side pressure is increasing. The futures now need to hold below the trend support for downside continuation, if we close back above the trend resistance (USD 26,141) then market sellers should act with caution. The MA on the RSI is flat; however, the RSI is moving below 50 whilst the stochastic is moving below 70, implying support levels could come under pressure.

Source Bloomberg



Capesize Q3 24

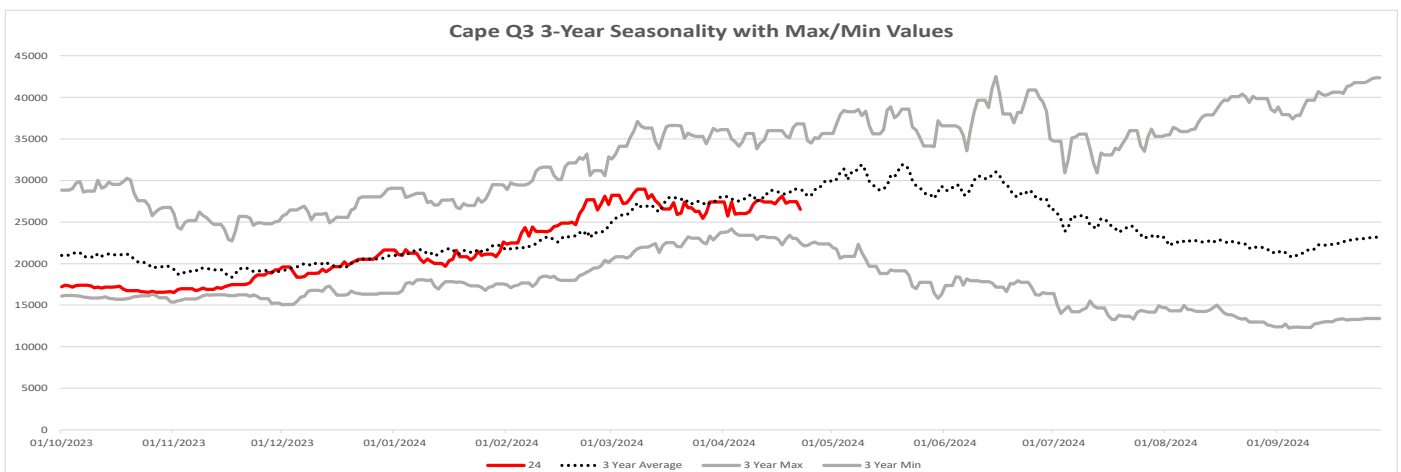


	Support	Resistance	Current Price	Bull	Bear
S1	24,587	R1	27,500		
S2	22,975	R2	28,052		
S3	21,706	R3	28,635		

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is at 50 (50)
- Stochastic is above 50
- Technically bullish last week, the upside move had breached the USD 28,052 resistance, meaning that the probability of the futures trading to a new low had started to decrease. However, we had a small rejection candle on the 11/04 on the back of a negative divergence with the RSI, that warned we had sell side pressure at higher levels. Countering this, the intraday RSI on the 4-hour chart was making new highs, warning resistance remained vulnerable. This technical was still unclear, a 5-wave pattern lower followed by the RSI divergence on the upside move continued to warn that support levels are vulnerable, the breach in the USD 28,052 level implies otherwise. If we held above the weekly pivot level (USD 27,075) and the divergence failed, then we could see a move higher; likewise, a close below the USD 27,075 level would warn that sell side pressure was increasing. We maintained a more neutral view due to the lack of clarity on the technical. From a longer-term perspective, Elliott wave analysis suggested that downside moves were considered as countertrend, making USD 22,975 the key support to follow. The futures traded back up to the USD 28,375 high, but again rejected the upside move due to an intraday negative divergence. Price has since moved lower, meaning the RSI is neutral at 50 whilst price is below the 8-21 period EMA's.
- Downside moves that hold at or above USD 22,975 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish but back in a corrective phase with price below the weekly pivot level (USD 27,500), implying sell side pressure is increasing. We are trading just below a small trend support (USD 26,671), if we close below and hold below the line, then the USD 24,625 fractal low will start to look vulnerable. Likewise, if we close above and reject the trend support it will warn that resistance levels could come under pressure. Having rejected the RSI resistance whilst below the weekly pivot, support levels are looking vulnerable, market sellers will now want to keep price below trend support.



Capesize Cal 25

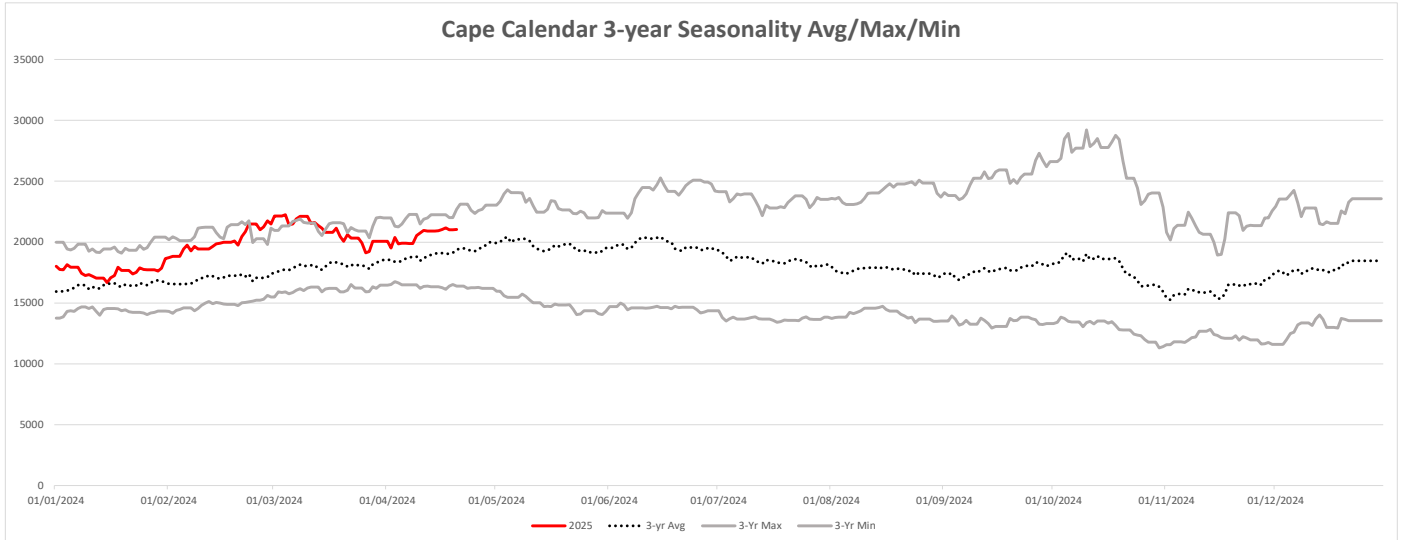


	Support	Resistance	Current Price	Bull	Bear
S1	19,550	R1	21,288	RSI above 50	Stochastic overbought
S2	18,625	R2	21,829		
S3	17,837	R3	22,750		

Source Bloomberg

Synopsis - Intraday

- Price is above the 8-21 period EMA's
- RSI is above 50 (54)
- Stochastic is overbought
- Having traded to a high of USD 21,250 previously, the futures had seen a very small pullback. The MA on the RSI was flat, meaning momentum was neutral; however, price was above the weekly pivot level (USD 20,608), meaning we remained supported at this point. Key resistance remained intact at this point (USD 21,288), if broken, then the probability of the futures trading to a new low would start to decrease. A close below that held below the weekly pivot level would warn that sell side pressure was increasing. In theory, we remained vulnerable to a move lower, as we were below the USD 21,288 resistance; however, we are above the intraday fractal resistance (USD 20,800), warning we could move higher. The futures did see a small move higher, resulting in price breaching the USD 21,288 resistance. However, the move failed to hold, and we have since seen another small pullback, we remain above 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. Note: the support is back in play due to the breach in the USD 21,288 resistance.
- Technically bullish, the futures are moving lower due to an intraday divergence with price below the weekly pivot level (USD 21,113), warning sell side pressure is increasing. A close back above this level will leave resistance levels vulnerable. The failure to hold the new high is suggesting the sell side pressure is now increasing, warning we could move lower in the near-term. However, the longer-term Elliott wave cycle remains bullish, implying downside moves have the potential to be countertrend.





Capesize C5 April (Rolling Front Month Heikin Ashi Chart)



Support	Resistance	Current Price	Bull	Bear
S1	R1	11.14	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 above the 8-21 period EMA
- RSI is above 50 (52)
- Stochastic is overbought
- We remained bullish with a neutral bias on the last report; the upside move above USD 10.78 warned that resistance levels could be vulnerable in the near-term. However, a close below that held below the weekly pivot (USD 10.78) would imply that sell side pressure was increasing, meaning support levels could be tested and broken. The MA on the RSI warned that momentum remained weak, however, there were signs that the average was starting to flatten with the RSI is now above its average, this suggested that momentum could be transitioning to the buyside. We are cautious on downside moves whilst the futures had a divergence in play. We traded to a high of USD 11.50 before seeing a small move lower. We are above the 8-21 period EMA's with the RSI above 50.
- Upside moves that fail at or below USD 12.10 will leave the futures vulnerable to further tests to the downside, above this level the technical will be back in bullish territory, warning resistance levels could come under pressure.
- Technically bullish with a neutral bias, the futures are moving lower having failed to trade above the USD 12.10 resistance, warning support levels are starting to look vulnerable. We are below the weekly pivot level (USD 11.24), warning sell side pressure is increasing; however, the MA on the RSI is implying that momentum has light bid support at this point. If we remain below the weekly pivot level, and the RSI moves back below its MA, then support levels could come under pressure. The futures probably need to see another lower close to confirm that momentum is really starting to weaken on this chart.

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