



Capesize Technical Report

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Index

Technically bearish with sell side pressure increasing last week, the index has continued to move lower. We are now trading between the secondary and primary trend supports whilst the RSI is in divergence, warning sell side momentum could slow down. Having broken fractal and secondary trend support, the technical is warning that the primary trend at USD 14,931 could be tested in the near-term. If tested whilst in divergence market sellers will need to be cautious.

May 24

Having broken the triangle pattern to the downside last week the futures have continued to move lower. We remain technically bearish with the RSI breaking support whilst the MA on the RSI is starting to turn lower, warning upside moves could be countertrend in the near-term, making USD 26,724 the key resistance to follow. We are below the weekly pivot level, meaning that the USD 21,250 fractal low is starting to look like it could be tested and broken, if it is we target the 200-period MA at USD 19,329. We should move higher on the roll into June tomorrow which will put price back above the weekly pivot level (USD 24,500), making this the key support to follow.

Q3 24

The futures remained resilient with price closing back above the trend support last week; however, the move failed to hold with the futures closing back below the line on Friday, resulting in price moving lower today. We are below the weekly pivot level (USD 27,200) whilst the RSI has broken support and moved below 50, suggesting upside moves could be countertrend in the near-term. A close below that holds below the 55-period EMA (USD 26,039) will mean we target the USD 24,625 fractal low. Likewise, if the average holds and we close back above the weekly pivot level (USD 27,200) it will warn that there is an underlying support in the market. With the futures rolling over to the sell side and closing below the trend line, support levels are starting to look vulnerable.

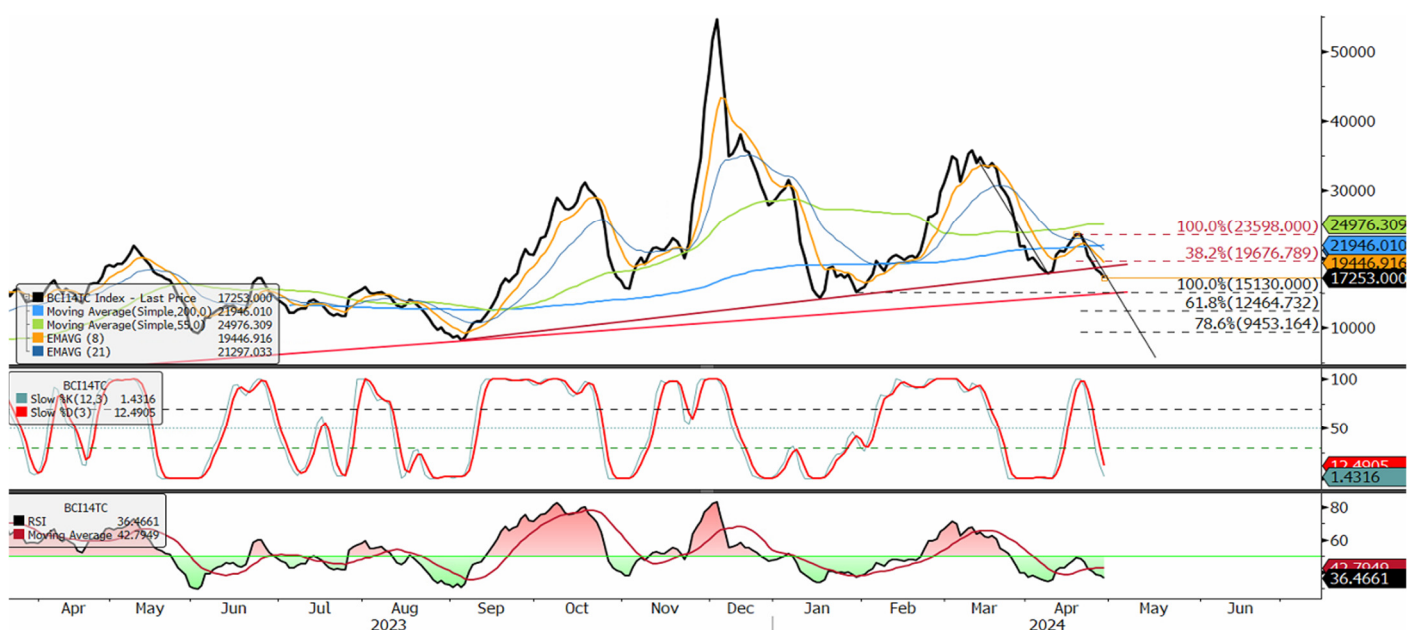
Cal 25

We had another small test to the upside last week, but the move has failed to hold due to an intraday divergence with the RSI. The futures are below trend support, if we close below the weekly pivot level (USD 21,175) it will warn that sell side pressure is increasing. Like last week, we maintain our view that the futures are vulnerable to a move lower in the near-term; however, the longer-term Elliott wave cycle remains bullish, implying downside moves look like they could be countertrend.

May C5

Bullish with a neutral bias last week, the futures had rejected key resistance warning support levels looked vulnerable. We noted that the futures needed to see another move lower to confirm that momentum was really starting to weaken. We have moved lower with the RSI below 50 and its MA whilst price is below the weekly pivot level, implying the USD 10.17 fractal low is now vulnerable. The RSI is now approaching support, if broken it will weaken the technical further; However, if we trade to a new low and RSI support holds, it will mean there is a positive divergence in play, suggesting caution.

Capesize Index

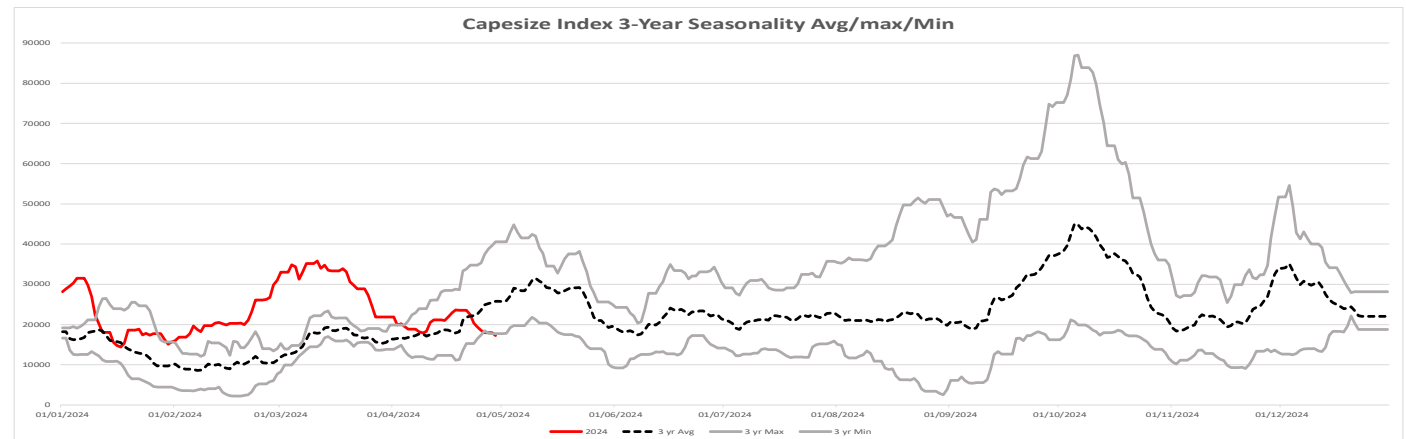


Support	Resistance	Current Price	Bull	Bear
S1	R1	17,253	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (36)
- Stochastic is oversold
- Price is below the weekly pivot point (USD 19,478)
- Technically bearish last week, the upside move had rejected the 55-period MA (USD 24,933) and the Fibonacci resistance zone. MBP was aligned to the sell side with price below the weekly pivot level (USD 22,703), warning sell side pressure was increasing, meaning support levels were vulnerable. A close below the 200-period MA (USD 21,792) would 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 would imply that we could see upside continuation. Momentum was conflicting as the MA on the RSI implied that it was supported, but the RSI was below 50 whilst the stochastic is overbought. If the RSI remained below 50, we could see a move lower; however, above 50 the stochastic was considered as less relevant. We were 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.
- The index has moved lower with price now below the secondary trend support. Price is below all key moving averages with the RSI below 50.
- Momentum based on price (MBP) is aligned to the sell side, a close above USD 19,280 will mean it is aligned to the buyside. Upside moves that fail at or below USD 19,676 will leave the index vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the RSI is now in divergence with price, warning we have the potential to see a momentum slowdown. We have broken fractal support and the secondary trend, warning that we could test the primary trend support at USD 14,931 in the near-term. If trend support is tested whilst the RSI is in divergence, then market sellers will need to be cautious. If the divergence fails and trend support is broken, we target the USD 12,464 and USD 9,453 Fibonacci support levels. We have a note of caution on downside moves from here due to the divergence and primary support.



Capesize May 24 (1 Month forward)

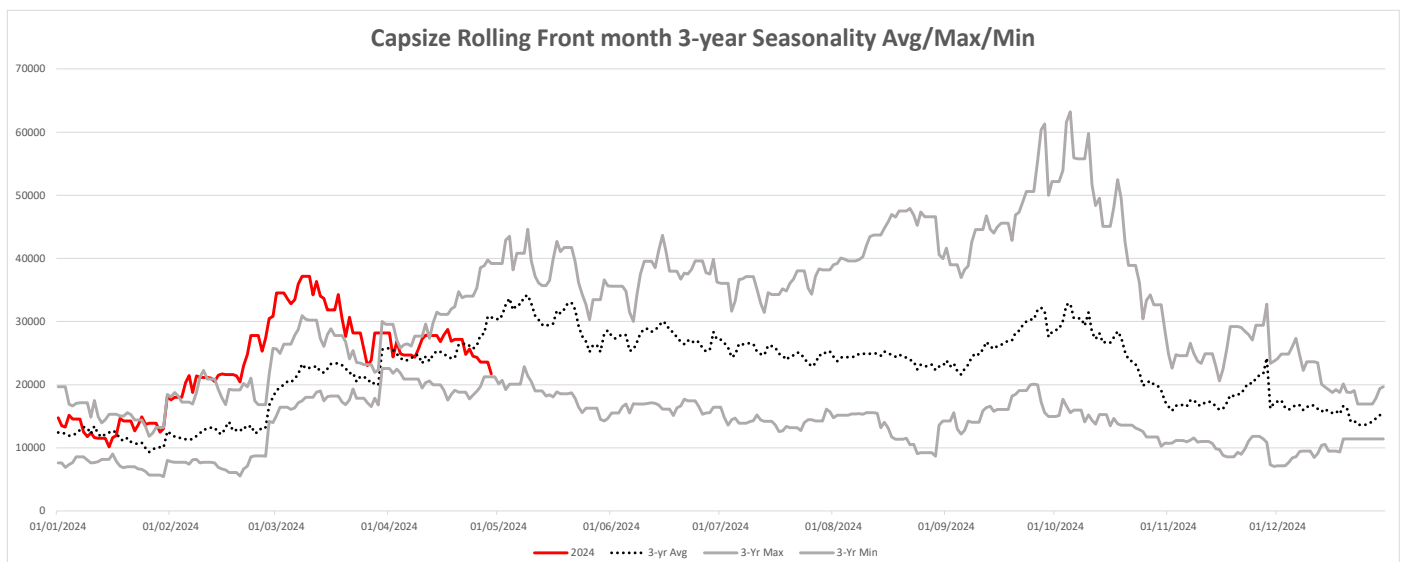


	Support	Resistance	Current Price	Bull	Bear
S1	20,375	R1	24,500	Stochastic oversold	RSI below 50
S2	19,329	R2	26,724		
S3	17,608	R3	29,325		

Synopsis - Intraday

- Price is below the 8-21 period EMA's
- RSI is below 50 (42)
- Stochastic is oversold
- Technically bearish last week, we had broken an intraday triangle pattern to the downside with price below the weekly pivot level (USD 27,608), warning sell side pressure was increasing. The futures now need to hold below the trend support for downside continuation, if we closed back above the trend resistance (USD 26,141) then market sellers should act with caution. The MA on the RSI was flat; however, the RSI was moving below 50 whilst the stochastic is moving below 70, implying support levels could come under pressure.
- The futures have continued to sell lower with price now approaching the USD 21,250 fractal low. We are below the 8-21 period EMA's with the RSI below 50.
- Upside moves that fail at or below USD 26,724 will leave the futures vulnerable to further tests to the downside, above this level the USD 29,325 fractal high will start to look vulnerable.
- Technically bearish, the MA on the RSI is starting to turn lower with the RSI breaking support, warning upside moves look like they could be countertrend in the near-term, making USD 26,724 the key resistance to follow. If broken, then the probability of the futures trading to a new low will start to decrease. With price below the weekly pivot level (USD 24,500), the USD 21,250 fractal low is looking like it could be tested and broken; if it is, then the 200-period MA at USD 19,329 could come under pressure. We should see a move higher on the roll into June tomorrow, this will put price back above the weekly pivot level, making USD 24,500 the key support in the June contract.

Source Bloomberg



Capesize Q3 24

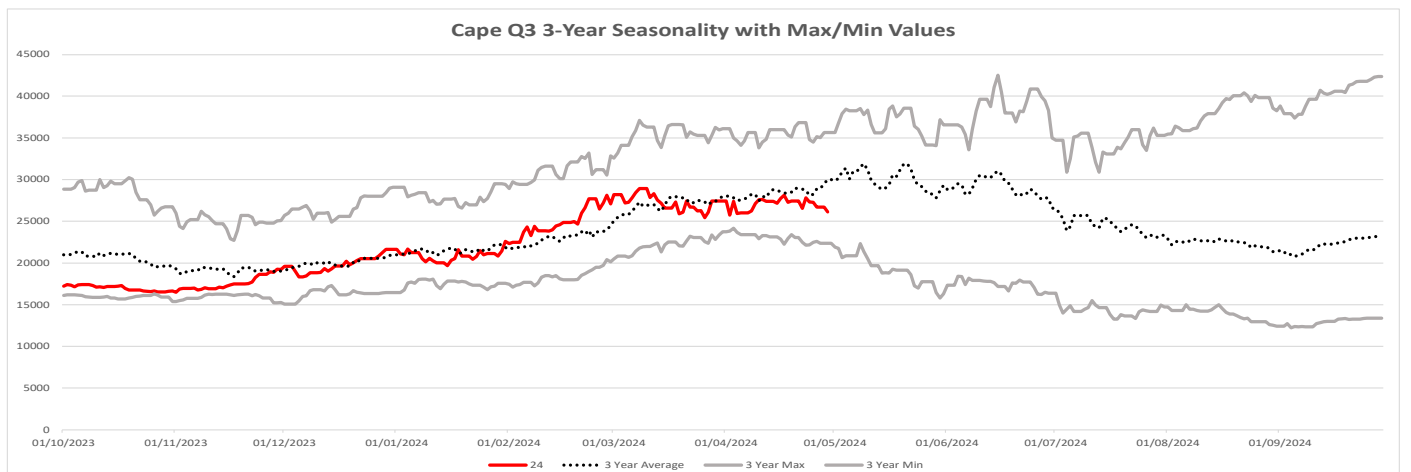


	Support	Resistance	Current Price	Bull	Bear
S1	24,587	R1	27,200		RSI below 50
S2	22,975	R2	27,925		
S3	21,706	R3	28,555		

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA
- RSI is below 50 (48)
- Stochastic is below 50
- Technically bullish but back in a corrective phase last week with price below the weekly pivot level (USD 27,500), implying sell side pressure was increasing. We were trading just below a small trend support (USD 26,671), if we closed below and held below the line, then the USD 24,625 fractal low will start to look vulnerable. Likewise, if we closed 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 were looking vulnerable, market sellers would now want to keep price below trend support.
- Having seen a marginal close below the trend support, it was defended the following day. However, the move failed to hold with price closing on support on Thursday and below it on Friday, resulting in the futures selling lower today (29/04/24). We are below the 8-21 period EMA's with the RSI now moving below 50.
- 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.
- The downside move below USD 26,500 has resulted in the futures breaking fractal support, meaning the technical is now bearish based on price (the Elliott wave cycle remains bullish at this point). We are below the weekly pivot level (USD 27,200) whilst the RSI has broken support and moved below 50. This would suggest that upside moves now look like they could be countertrend in the near future. If we close below and hold below the 55-period EMA (USD 26,039), then we target the USD 24,625 fractal low. Likewise, if the average holds with price closing back above the USD 27,200 level, it will warn that there remains an underlying support in the market. With the futures rolling over to the sell side, support levels are now looking like they could come under pressure. Key support at USD 22,975 remains unchanged, if broken then the probability of the futures trading to a new high will start to decrease.



Capesize Cal 25

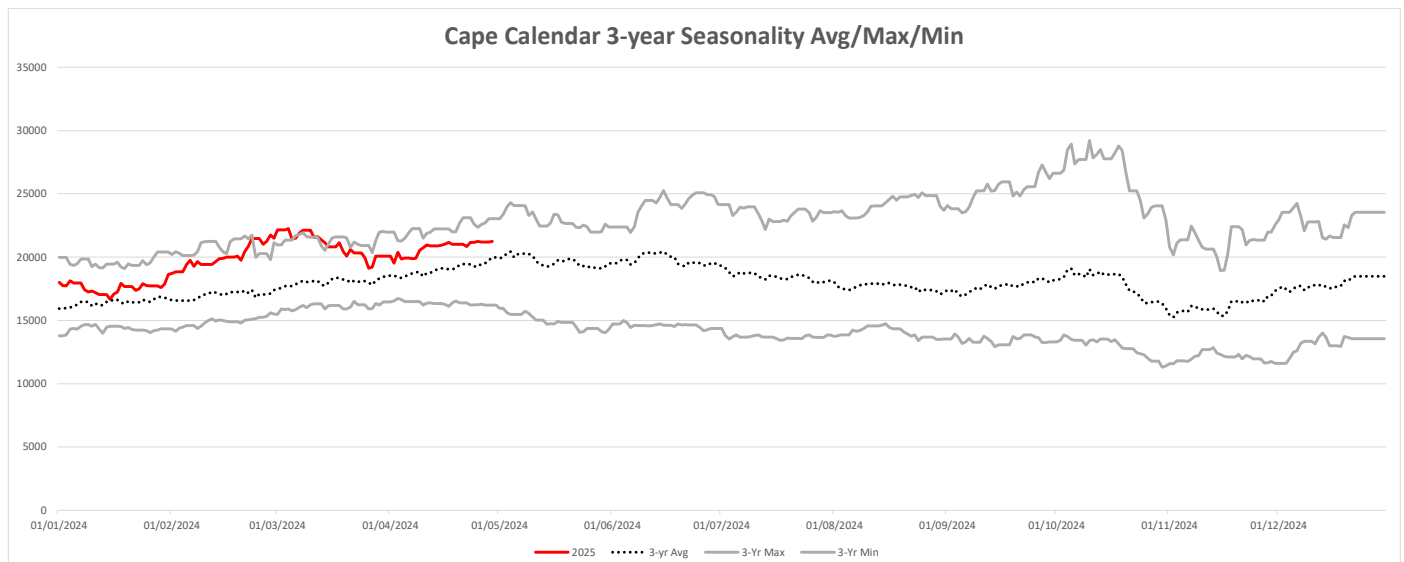


	Support	Resistance	Current Price	Bull	Bear
S1	20,288	R1	21,288	RSI above 50	Stochastic overbought
S2	19,937	R2	21,829		
S3	19,461	R3	22,750		

Synopsis - Intraday

Source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is above 50 (54)
- Stochastic is overbought
- Technically bullish on the previous report, the futures were moving lower due to an intraday divergence with price below the weekly pivot level (USD 21,113), warning sell side pressure was increasing. If we closed back above this level will leave resistance levels would be vulnerable. The failure to hold the new high suggested the sell side pressure was increasing, warning we could move lower in the near-term. However, the longer-term Elliott wave cycle remained bullish, implying downside moves had the potential to be countertrend.
- The futures had another small test to the upside, but the move has again failed to hold. We are now trading between the 8-21 period EMA's with the RSI above 50.
- Downside moves that hold at or above USD 19,461 will support a near-term bull argument, below this level the technical will have a neutral bias. Key longer-term support at USD 18,625 remains in play due to the breach in the USD 21,288 resistance.
- Technically bullish, the futures have seen a small move lower on the back of an intraday divergence. A close below this week's pivot level (USD 21,175) will warn that sell side momentum is increasing. We are now on the wrong side of a trend support with upside moves still struggling to hold, warning we remain vulnerable to a move lower in the near-term. Like last week, the longer-term Elliott wave cycle remains bullish, implying downside moves look like they could be countertrend.



Capesize C5 May (Rolling Front Month Heikin Ashi Chart)



Support	Resistance	Current Price	Bull	Bear
S1	10.12	R1	10.61	RSI below 50
S2	9.32	R2	11.50	
S3	8.30	R3	11.64	

- 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 below the 8-21 period EMA
- RSI is below 50 (46)
- Stochastic is below 50
- Technically bullish with a neutral bias last week, the futures were moving lower having failed to trade above the USD 12.10 resistance, warning support levels were starting to look vulnerable. We were below the weekly pivot level (USD 11.24), warning sell side pressure was increasing; however, the MA on the RSI implied that momentum had light bid support. If we remained below the weekly pivot level, and the RSI moved back below its MA, then support levels could come under pressure. We noted that the futures probably need to see another lower close to confirm that momentum was really starting to weaken on this chart.
- The futures have continued to move lower with price below all key moving averages supported by the RSI below 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. Note: this level has now been rejected.
- Technically bullish but with a neutral bias, the RSI is now below 50 and its average with price below the weekly pivot level (USD 10.61), implying that the USD 10.17 fractal low is now vulnerable. The RSI is approaching support, if broken then it will further weaken the technical argument. However, if we trade to a new low and RSI support holds, it will mean there is a positive divergence in play, suggesting caution.

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