



Capesize Technical Report

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Index

The futures held primary support last week with price seeing a strong move higher on the back of the positive divergence with the RSI, the technical is now bullish. Both the index and the RSI are making new highs, implying downside moves should in theory be countertrend. The MA on the RSI is now showing light momentum support. The RSI is at 58, if we move above and hold above the 64 level, it will warn that resistance levels could come under further pressure.

June 24

The futures gapped higher on the roll into June last week, putting price back above the weekly pivot level. We are still bearish but now have a neutral bias, above USD 35,125 the technical is bullish. The RSI is now making new highs alongside price with the futures above the weekly pivot level (USD 27,475) supporting the current upside move, warning the USD 35,125 fractal resistance could be tested and broken.

Q3 24

Support levels had looked vulnerable last week after the futures had rolled over to the sell side. However, we held above the 55-period EMA with price closing above the USD 27,200 level the following day, implying there was underlying support in the market. We are technically bullish with price above the double top (USD 28,375) whilst the RSI is testing resistance. If we hold above this level and the RSI moves higher, it will warn the USD 29,625 fractal high could come under pressure. Likewise, a close below the support alongside the RSI rejecting its resistance will warn that we could see a technical pullback. Elliott wave analysis continues to suggest that downside moves look like they could be countertrend; meaning we now need to hold the USD 28,375 support for upside continuation.

Cal 25

Technically bullish last week with price consolidating, we were trading below the trend support, warning we could be vulnerable to a move lower in the near-term. However, we maintained our view based on Elliott wave analysis that downside moves looked like they could be countertrend. The futures broke to the upside with price now testing the USD 22,750 fractal high, if broken we have a potential upside target at USD 23,826 for this phase of the cycle. A new high will create a negative divergence with the RSI, which will need to be monitored, as it will warn that we could see a momentum slowdown. We noted that this is an Elliott wave 5 of a larger wave 3, meaning downside moves are still considered as countertrend on the longer-term cycle.

C5 June 24

The futures did break fractal support last week; however, the roll into June resulted in the futures opening USD 1.00 higher the following day. The technical is now bullish with price above all key moving averages and the weekly pivot level (USD 11.11), implying the market is supported at this point. Upside moves above 12.05 will warn that the probability of there being a larger bear cycle in play has started to decrease. The MA on the RSI is flat, but the RSI is making new highs, supporting the current bullish move.

Capesize Index

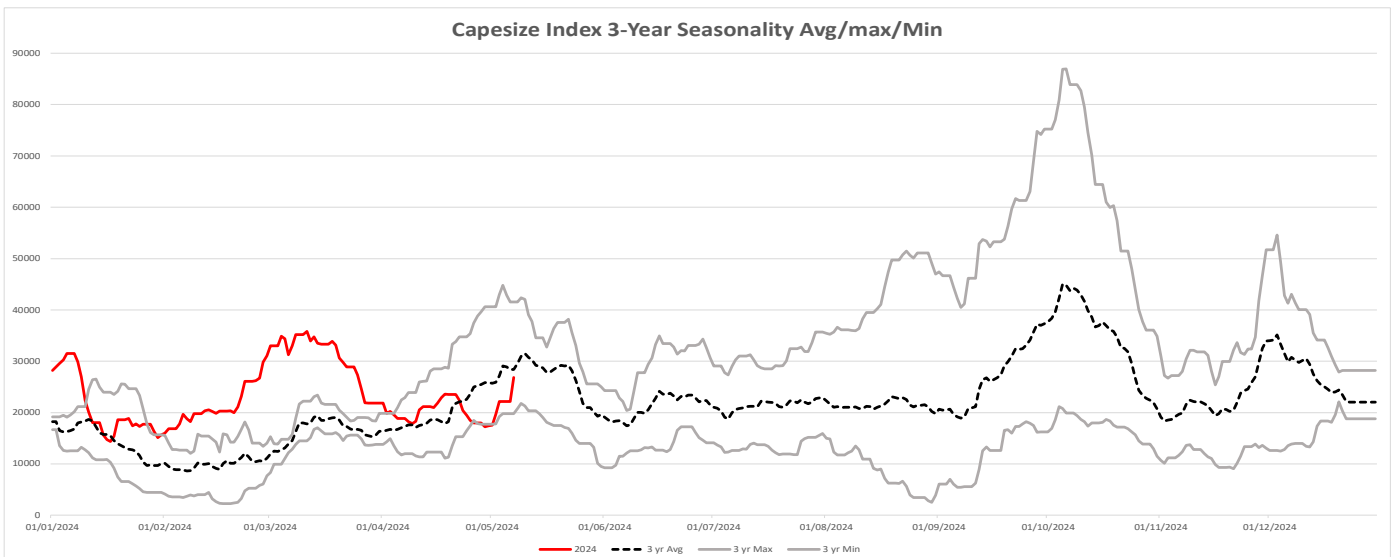


	Support	Resistance	Current Price	Bull	Bear
S1	20,520	R1	27,955	Stochastic oversold	RSI below 50
S2	17,523	R2	30,481		
S3	15,130	R3	34,077		

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (58)
- Stochastic is below 50
- Price is above the weekly pivot point (USD 20,528)
- Technically bearish last week, the RSI was in divergence with price, warning we had the potential to see a momentum slow-down. We had 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 was tested whilst the RSI was in divergence, then market sellers would need to be cautious. If the divergence failed and trend support was broken, we would target the USD 12,464 and USD 9,453 Fibonacci support levels. We had a note of caution on downside moves due to the divergence and primary support.
- The index failed to test the primary trend support due to the positive divergence with the RSI, resulting in a strong move higher. We are above all key moving averages with the RSI above 50.
- Momentum based on price (MBP) is aligned to the buyside, a close below USD 19,196 will mean it is aligned to the sell side. Downside moves that hold at or above USD 20,520 will support a bull argument, below this level the technical will have a neutral bias.
- Having held primary trend support, the upside move has broken the USD 23,598 fractal resistance, meaning the technical is now bullish. The RSI is trading to new highs alongside price, suggesting downside moves should now be considered as counter-trend, the MA on the RSI is starting to show light momentum support. The RSI is at 58, if it closes above and holds above 64, then resistance levels should in theory come under further pressure.



Capesize June 24 (1 Month forward)

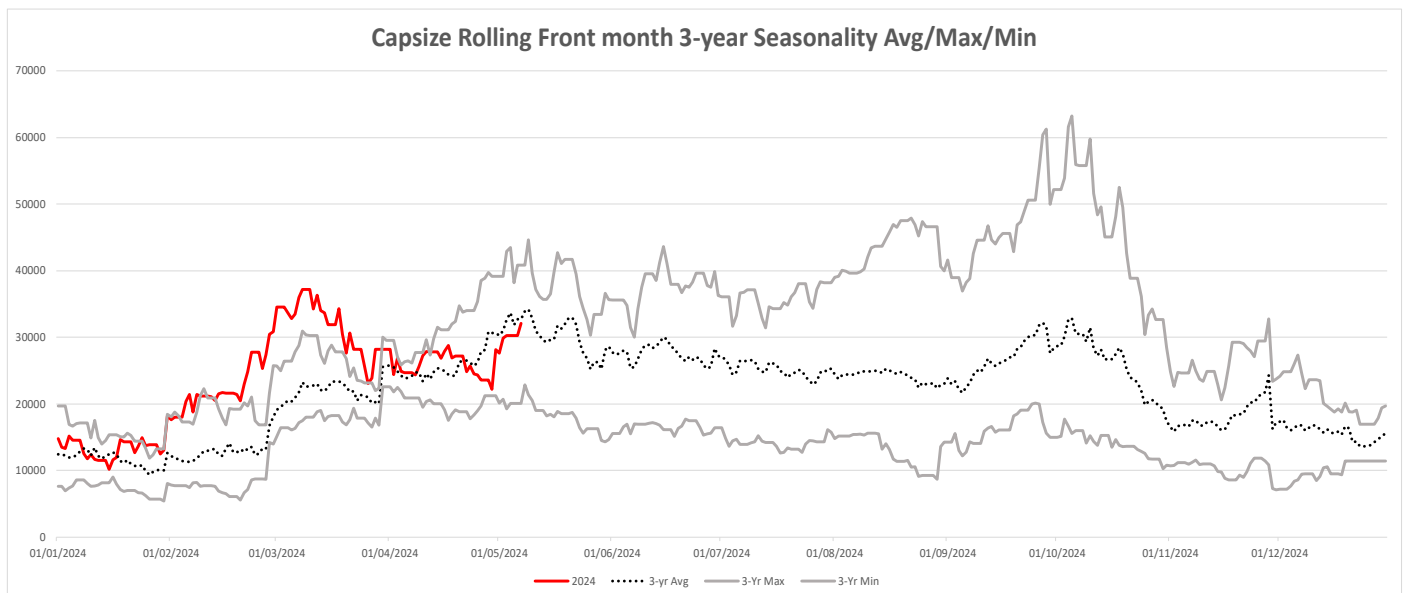


	Support	Resistance	Current Price	Bull	Bear
S1	28,148	R1	31,950	RSI above 50	Stochastic overbought
S2	27,475	R2			
S3	26,912	R3			

Synopsis - Intraday

- Price is above the 8-21 period EMA's
- RSI is above 50 (57)
- Stochastic is overbought
- Technically bearish last week, the MA on the RSI was 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 would start to decrease. With price below the weekly pivot level (USD 24,500), the USD 21,250 fractal low was 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 noted that we would see a move higher on the roll into June the day after the report was written, which would put price back above the weekly pivot level, making USD 24,500 the key support in the June contract.
- The futures rolled into June, resulting in price gapping higher, the subsequent upside move that followed put price above the USD 26,724 resistance, resulting in the USD 29,325 fractal high being tested and broken.
- Downside moves that hold at or above USD 25,236 will support a near-term bull argument, below this level the USD 21,675 fractal low will start to look vulnerable.
- Technically bearish with a neutral bias, Above USD 35,125 the technical will be bullish. The futures held above the USD 24,500 level after the roll into June, with price above this week's pivot level of USD 27,475, supporting the upside move. The RSI is making new highs alongside price, suggesting downside moves should be considered as countertrend, implying the USD 35,125 fractal resistance is now vulnerable.

Source Bloomberg



Capesize Q3 24

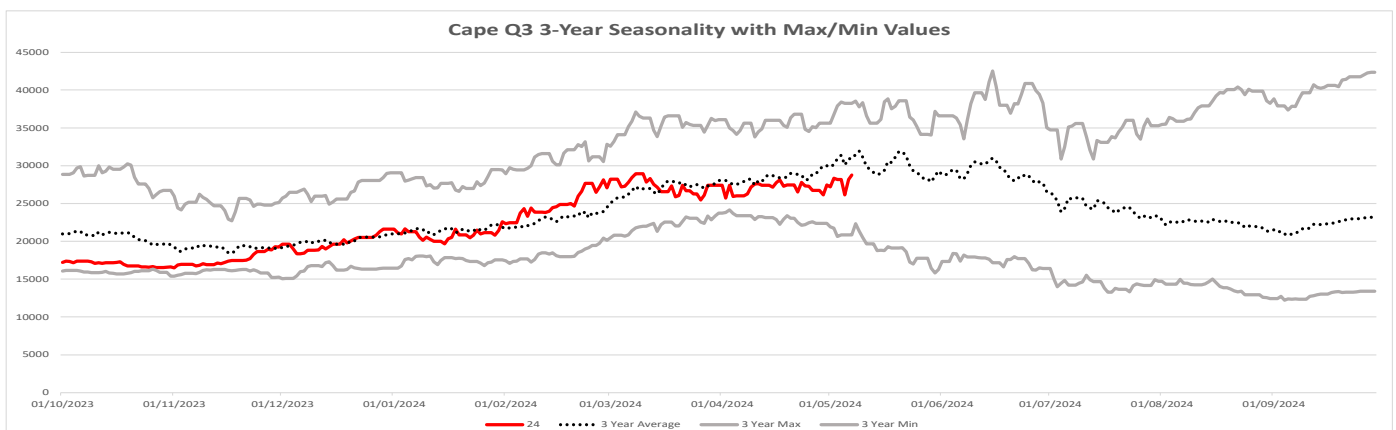


	Support	Resistance	Current Price	Bull	Bear
S1	27,541	R1	28,425	RSI above 50	Stochastic overbought
S2	26,000	R2			
S3	24,625	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is above 50 (56)
- Stochastic is overbought
- The downside move below USD 26,500 last week resulted in the futures breaking fractal support, meaning the technical was bearish based on price (the Elliott wave cycle remained bullish). We were below the weekly pivot level (USD 27,200) whilst the RSI had broken support and moved below 50. This suggested that upside moves now looked like they could be countertrend in the near future. If we closed below and held below the 55-period EMA (USD 26,039), then we would target the USD 24,625 fractal low. Likewise, if the average held with price closing back above the USD 27,200 level, it would warn that there remained an underlying support in the market. With the futures rolling over to the sell side, support levels were now looking like they could come under pressure. Key support at USD 22,975 remained unchanged, if broken then the probability of the futures trading to a new high would start to decrease.
- The futures held above the 55-period EMA with price closing above the USD 27,200 level the following day, signalling an underlying support in the market, resulting in the futures trading to a high of USD 28,750. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 26,968 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, having rejected the 55-period EMA and closed above last week's pivot level, the futures are currently trading above this week's pivot (USD 27,541), implying there is an underlying support in the market. We are just above the USD 28,375 double top with the RSI testing its resistance. If we hold above the USD 28,375 level and the RSI breaks resistance, then the USD 29,625 fractal high could come under pressure. However, a close below this level alongside the RSI rejecting resistance will warn that we could see a technical pullback. Elliott wave analysis continues to suggest that downside moves look like they could be countertrend; meaning we now need to hold the USD 28,375 support for upside continuation.



Capesize Cal 25

Last Price	22550.000
High on 03/04/24	22750.000
Average	15728.057
Low on 11/25/20	12875.000
Moving Average (Simple,55,0)	20951.363
Moving Average (Exponential,8,0)	21809.373
Moving Average (Simple,200,0)	17204.125
EMAVG (21) on Close	21328.482

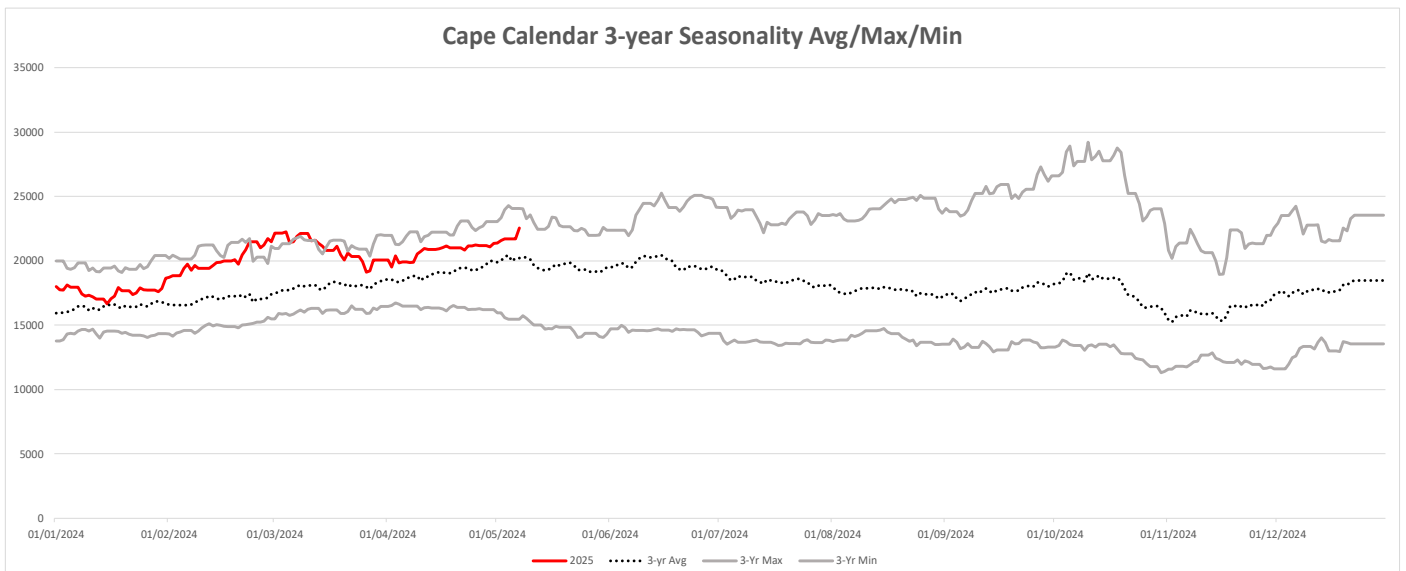


	Support	Resistance	Current Price	Bull	Bear
S1	21,800	R1	22,750	RSI above 50	Stochastic overbought
S2	20,983	R2	23,826		
S3	20,500	R3	25,288		

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (64)
- Stochastic is overbought
- Technically bullish last week, the futures had seen a small move lower on the back of an intraday divergence. We noted that a close below the weekly pivot level (USD 21,175) would warn that sell side momentum was increasing. We were on the wrong side of a trend support with upside moves still struggling to hold, warning we remained vulnerable to a move lower in the near-term. Like last week, the longer-term Elliott wave cycle remained bullish, implying downside moves look like they could be countertrend.
- Having broken trend support with upside moves failing to hold on the last report, the futures did break to the upside rather than move lower. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 19,844 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 upside move in the futures means we are now testing the USD 22,750 fractal high, if broken, we have a potential upside target of USD 23,826 for this phase of the cycle. However, a new high will create a negative divergence with the RSI. Not a sell signal, it is a warning that we could see a momentum slowdown which will need to be monitored. We should note that this is an Elliott wave 5 of a larger wave 3, meaning downside moves are still considered as countertrend on the longer-term cycle.



Capesize C5 June (Rolling Front Month Heikin Ashi Chart)



	Support	Resistance	Current Price	Bull	Bear
S1	11.11	R1	12.05	RSI above 50	Stochastic overbought
S2	10.58	R2	12.43		
S3	10.03	R3	13.09		

- 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 (46)
- Stochastic is overbought
- Technically bullish but with a neutral bias last week, the RSI was below 50 with its average with price below the weekly pivot level (USD 10.61), implying that the USD 10.17 fractal low was vulnerable. The RSI was approaching support, if broken it would further weaken the technical argument. However, if we traded to a new low and RSI support hold, it would mean there was a positive divergence in play, suggesting caution.
- We traded to a low of USD 10.03 with the RSI breaking support. However, the roll into June meant the futures jumped over USD 1.00 the following day, resulting in price closing above the weekly pivot level. We are now above all key moving averages with the RSI above 50.
- Downside moves that hold at or above USD 10.58 will support a bull argument, below this level the technical will have a neutral bias. Upside moves that fail at or below USD 12.05 will warn that there is a larger, bearish corrective cycle in play, above this level we target the USD 13.09 fractal high.
- The futures traded to a new low before breaking fractal resistance, meaning the technical is now bullish. Price is above the weekly pivot level (USD 11.11), implying buy-side support in the market, a close below this level will indicate sell-side pressure is increasing. Upside moves above 12.05 will warn that the probability of there being a larger bear cycle in play has started to decrease. The MA on the RSI is flat, but the RSI is making new highs, supporting the current bullish move.

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