



Capesize Technical Report

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Index

The index closed below but failed to hold below the 200-period MA last week, implying there is possibly an underlying support in the market. A conflicting technical this week, meaning it is neutral. We have MA support at USD 23,570 with secondary trend support at USD 21,252, implying caution on downside moves; however, the depth of the pullback is warning that upside moves could struggle to hold. Market buyers will want to see the index close above USD 26,595, as it will signal that we are back in bullish territory.

July 24

The intraday divergence did fail last week, resulting in the futures trading to a low of USD 22,000 (holding the support line) before trading to a high of USD 26,250 and rejecting trend resistance. Technically bearish with a neutral bias due to the strength of the pullback, the probability of the futures trading to a new low has started to decrease. We have rejection candles off the support and resistance lines; however, we have the weekly 200-period MA at USD 22,028 and the daily at USD 21,330, suggesting caution on downside breakouts.

Q3 24

Bullish with a neutral bias last week, we noted that we had the potential to move lower in the near-term, but downside moves could be limited due to the USD 23,825 – USD 22,975 support zone. The futures traded to a low of USD 23,125 before finding buy-side support; however, a bearish belt hold candle pattern has resulted in the futures trading back below last week's levels. The bearish candle pattern is warning that USD 23,125 low could be broken in the near-term, whilst a close below the low of the last dominant bull candle (USD 23,900) will support a move lower. Countering this, intraday momentum indicators are warning that below USD 23,125 the futures will be in divergence with the RSI, suggesting caution on downside breakouts.

Cal 25

The futures had a small move lower last week to close below the USD 20,875 support. However, the downside move has been limited whilst the MA on the RSI is flat, indicating that momentum is neutral. We are cautious on downside breakouts below USD 20,625, as it has the potential to create an intraday positive divergence with the RSI.

C5 July 24

We traded below and closed below the USD 9.82 support last week, resulting in the futures trading into the Fibonacci support zone to a low of USD 9.42. We remain bullish with a neutral bias with the MA on the RSI continuing to indicate that momentum is weak. However, below USD 9.42 the futures will be in divergence with the RSI, warning we have the potential to see a momentum slowdown, implying caution on downside breakouts.

Capesize Index

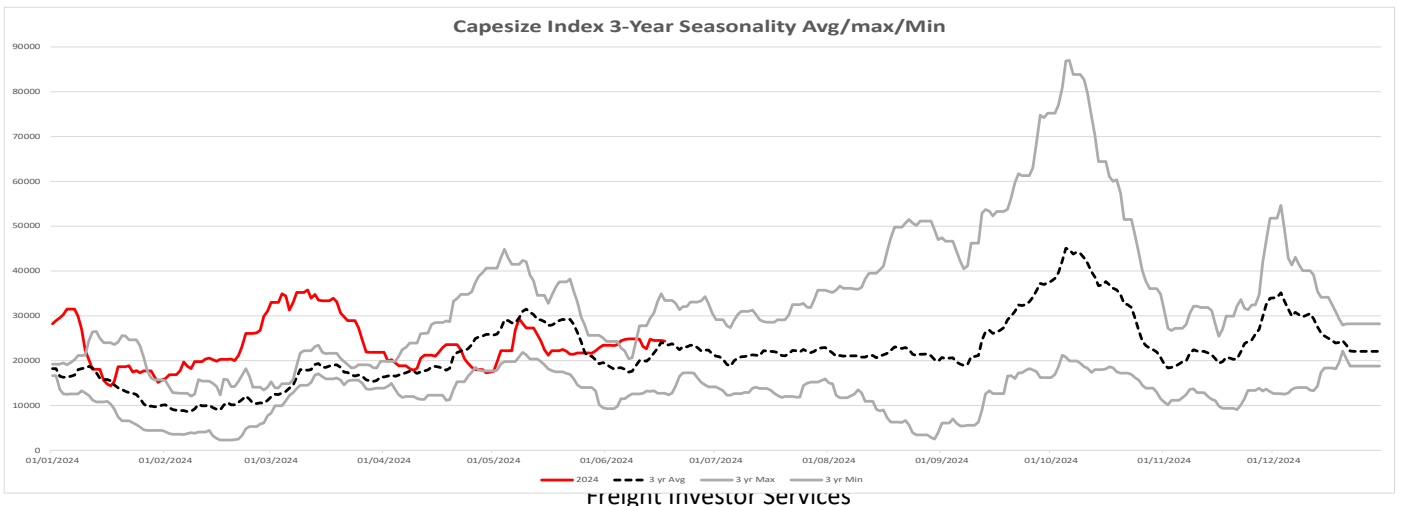


	Support	Resistance	Current Price	Bull	Bear
S1	23,964	R1	26,595	RSI above 50	Stochastic overbought
S2	21,371	R2	30,481		
S3	21,252	R3	34,077		

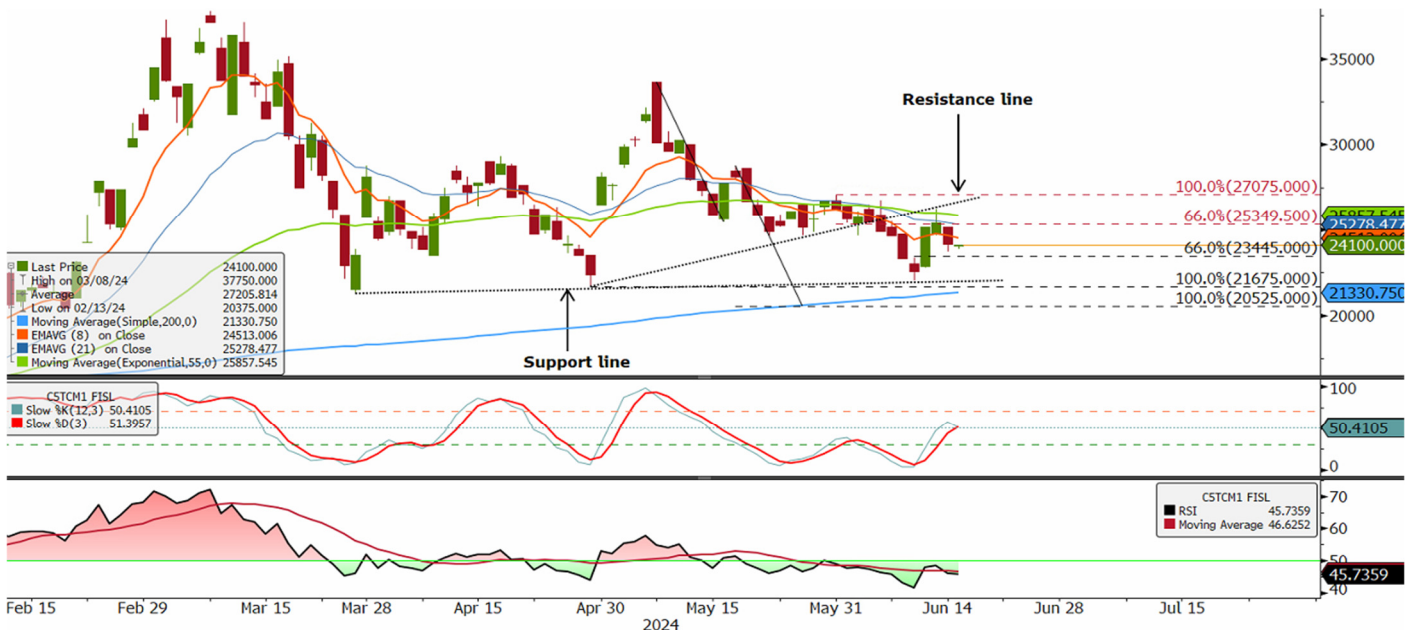
Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (53)
- Stochastic is overbought
- Price is above the weekly pivot point (USD 23,964)
- Technically bullish with a neutral bias last week, the MA on the RSI implied that we had light momentum support. We had a tight support zone between the MBP and weekly pivot level (USD 24,383 – USD 24,363), we also had the 200-period MA support at USD 23,255. A close below that held below USD 23,255 would warn that the secondary trend support at USD 20,850 could come under pressure. Primary trend support was at USD 16,372. Downside moves that held above the USD 23,255 level would warn of an underlying support in the market. Based on the move below USD 21,371 previously, we remain cautious on upside moves at this point.
- The index traded below but failed to hold below the 200-period MA, resulting in a small 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 23,876 will mean it is aligned to the sell side. Upside moves that fail at or below USD 26,595 will leave the index vulnerable to further tests to the downside, above this level the technical will be back in bullish territory.
- Technically bearish with a neutral bias, the MA on the RSI is indicating that momentum is supported. However, the depth of the pullback in mid-May is warning that the probability of the index trading to a new high has started to decrease. Countering this is the 200-period MA at USD 23,570; this is a benchmark average, the failure to hold below it last week is warning that there is an underlying support in the market. We also have secondary trend support at USD 21,252, suggesting caution on downside breakouts. This technical is conflicting (neutral), as the support below implies caution on moves lower, yet the depth of the pullback warns upside moves could struggle to hold. Market bulls will want to see the index above USD 26,595, whilst market bears need to contend with near-term support, alongside primary support at USD 16,632.



Capesize July 24 (1 Month forward)

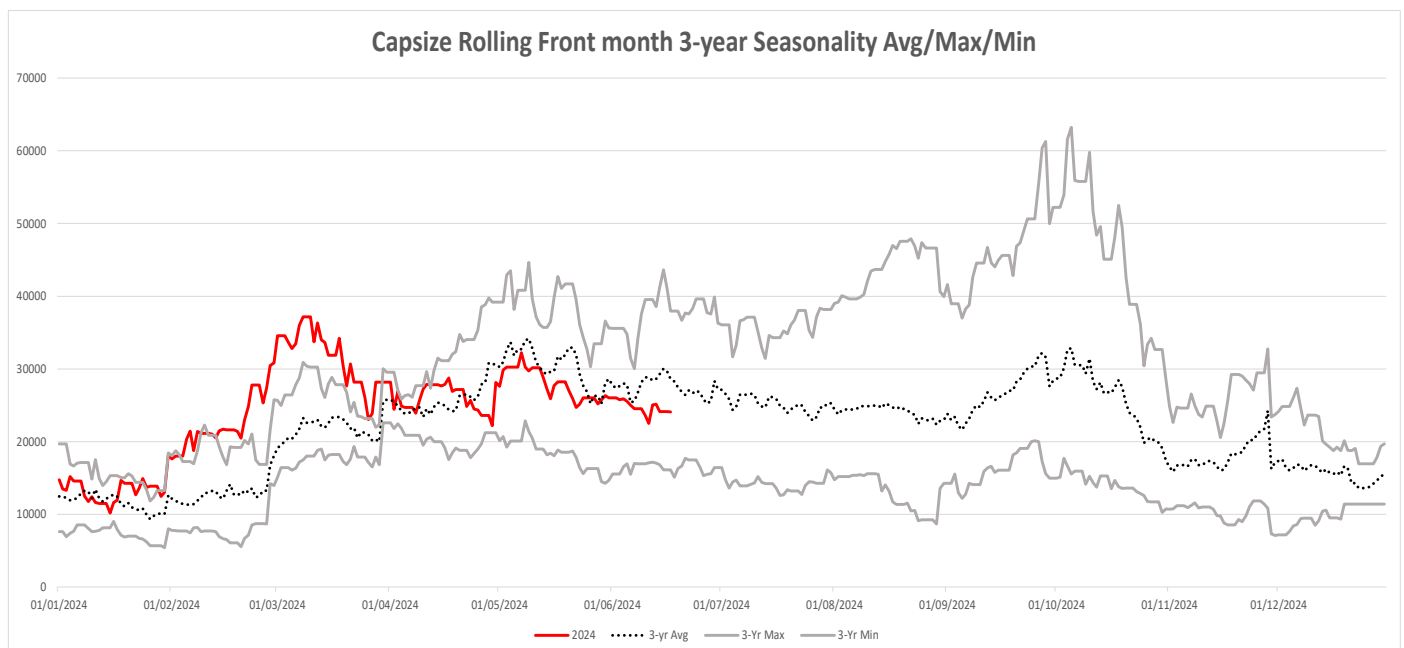


	Support	Resistance	Current Price	Bull	Bear
S1	23,445	R1	24,100		RSI below 50
S2	22,750	R2			
S3	22,028	R3			

Synopsis - Intraday

- Price is below the 8-21 period EMA's
- RSI is below 50 (45)
- Stochastic is at 50
- Technically bearish last week, the MA on the RSI implied that momentum was weak, whilst the trend break warned that the USD 21,675 – USD 21,250 fractal support levels were starting to look vulnerable. The issue that we had noted in the morning report, was that the intraday RSI was on support (meaning we had a minor intraday divergence in play still). For downside continuation, that divergence must fail. Looking at the daily chart, the divergence looked like it could fail; however, we had a note of caution on moves lower until it did.
- The intraday divergence did fail, resulting in the futures trading to a low of USD 22,000. However, we held the support line (USD 21,950), resulting in trend resistance being tested and rejected (currently USD 26,638).
- Downside moves that hold at or above USD 23,445 will support a near-term bull argument, below this level, the USD 22,000 fractal low will start to look vulnerable.
- Technically bearish, we now have a neutral bias due to the strength of the upside move, meaning that the probability of the futures trading to a new low has started to decrease. We have rejection candles off support and resistance; however, we also have the weekly 200-period MA at USD 22,028 and the daily at USD 21,330. For this reason, we have a note of caution on downside moves, as the path of least resistance looks to be to the upside.

Source Bloomberg



Capesize Q3 24

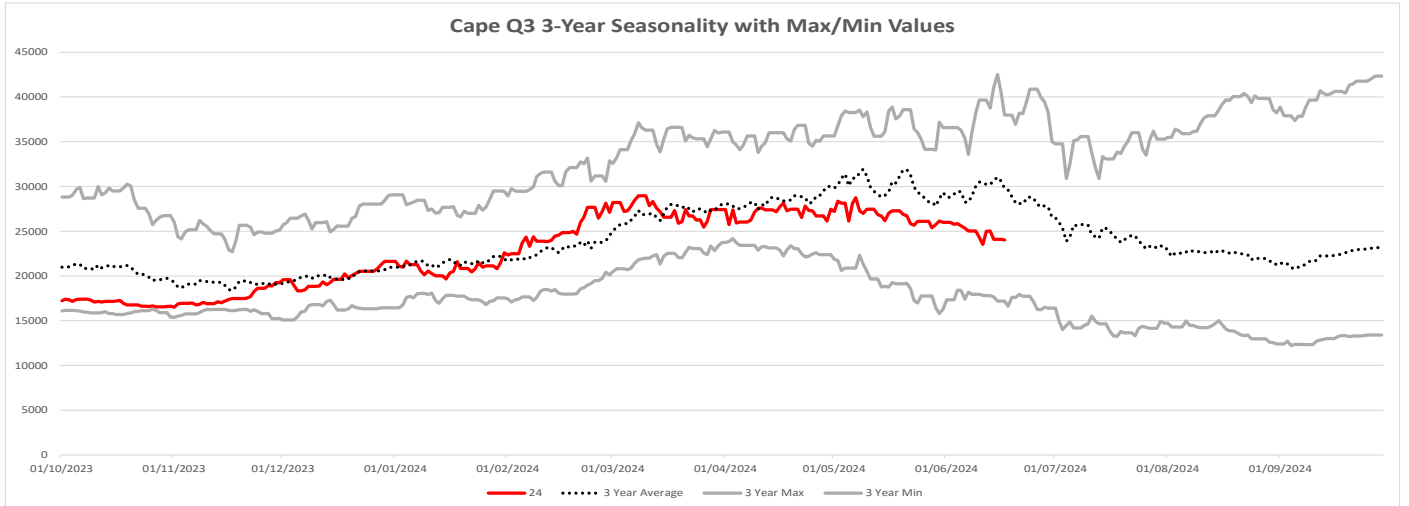


	Support	Resistance	Current Price	Bull	Bear
S1	23,825	R1	24,050		RSI below 50
S2	22,975	R2			
S3	22,475	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA
- RSI is below 50 (40)
- Stochastic is below 50
- Technically bullish with a neutral bias last week, the futures were trading below but had not yet closed below the support zone highlighted. The MA on the RSI warned that we had light momentum weakness with the RSI making new lows. This suggested that upside moves (intraday) could struggle to hold in the near-term. However, we highlighted USD 23,825 as a key level of interest, as this is the A-B = C-D 100% Fibonacci projection. This level had the potential to attract buying interest as a potential corrective termination point (as in a 3-wave Elliott wave correction). If the USD 22,975 level was broken, then the probability of the futures trading to a new high would start to decrease. We were cautious on downside moves, we did have the potential to move lower in the near-term; however, downside moves could be limited due to the USD 23,825 – USD 22,975 support zone.
- The futures traded to a low of USD 23,125 before finding bid support and trading to a high of USD 26,100; however, a bearish belt hold candle pattern has resulted in the futures trading back below last week's values. We are below all key moving averages with the RSI below 50.
- Downside moves that hold at or above USD 22,975 will support a longer-term bull argument, below this level the technical will have a neutral bias.
- Technically bullish with a neutral bias due to the break in the USD 24,625 fractal support. The bearish belt hold candle pattern is warning that the USD 23,125 fractal low could be broken in the near-term. A close below USD 23,900 will be below the low of the last dominant bull candle, supporting a move lower. However, intraday momentum indicators are warning that below USD 23,125 the futures will be in divergence with the RSI, implying caution on downside breakouts.



Capesize Cal 25

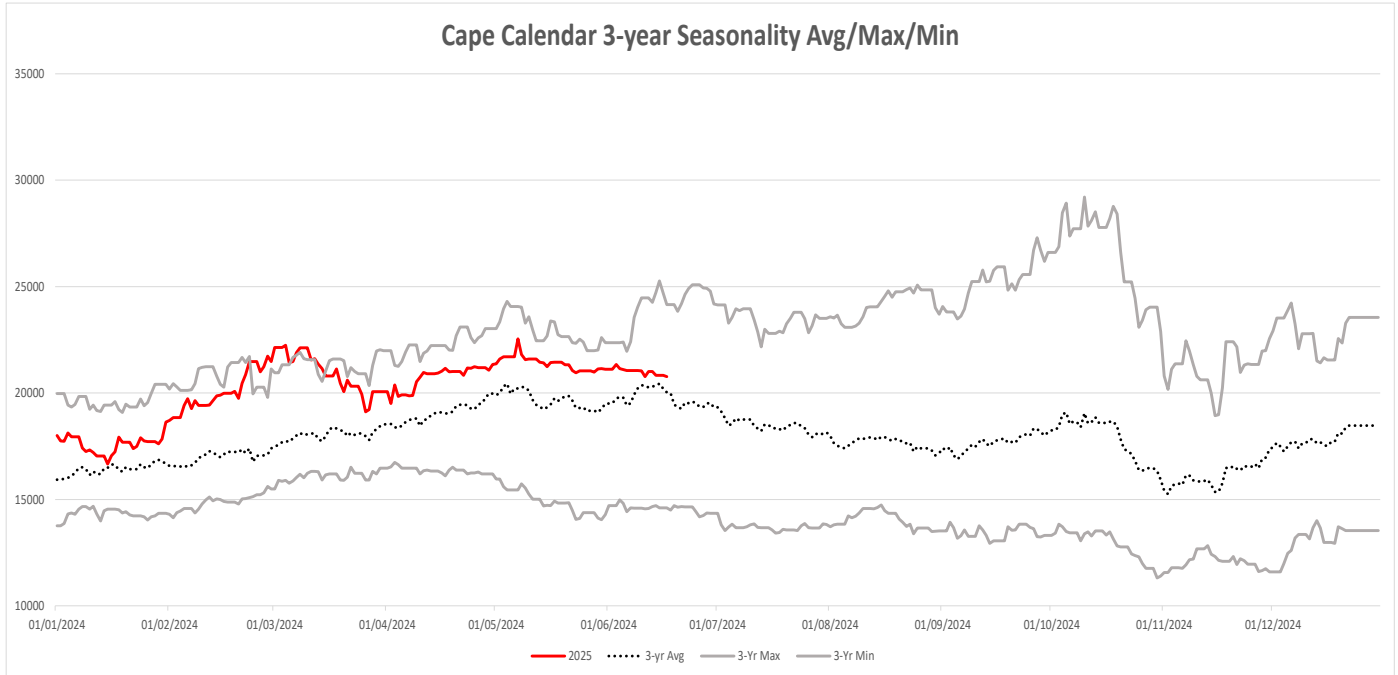


	Support	Resistance	Current Price	Bull	Bear
S1	20,500	R1	21,360	Stochastic oversold	RSI below 50
S2	19,844	R2	21,895		
S3	19,324	R3	22,550		

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (46)
- Stochastic is oversold
- Technically bullish last week, price action was neutral with the futures consolidating between USD 20,875 – USD 21,500. The EMA's remained flat with the RSI near neutral. Like the previous week, we remained cautious on any sharp moves away from the averages as it would create a mean reversion gap.
- The futures have traded and closed below the USD 20,875 support line; however, price movement continues to remain limited. We are below all key moving averages with the RSI below 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, we have seen a small move lower; however, the MA on the RSI is flat, indicating that momentum is neutral. Downside moves below USD 20,625 have the potential to create an intraday positive divergence with the RSI, not a buy signal, it is a warning that we could see a momentum slowdown. For this reason, we are cautious on downside breakouts.



Capesize C5 July (Rolling Front Month Heikin Ashi Chart)



Support		Resistance		Current Price	Bull	Bear
S1	9.42	R1	10.41	9.71	Stochastic oversold	RSI below 50
S2	9.32	R2	10.72			
S3	8.78	R3	11.13			

- 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 at below 50 (40)
- Stochastic is oversold
- Technically bullish with a neutral bias last week, the MA on the RSI continued to suggest that momentum was weak. A close above the weekly pivot level (USD 10.05) would warn that buyside pressure was increasing. We had broken the fractal support zone with price approaching the USD 9.82 high from 06/10/23, implying caution on downside moves in the near-term, as this had the potential to act as a support. If we held support and closed above the weekly pivot, it would imply that we could see a move higher; likewise, if broken, we would target the Fibonacci support zone. A cautious bear whilst above support.
- We closed below the 9.82 support with the futures trading to a low of 9.42 (into the Fibonacci support zone) before finding light bid support. We are below all key moving averages supported by the RSI below 50.
- Upside moves that fail at or below USD 11.13 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bullish with a neutral bias, the MA on the RSI continues to indicate that momentum is weak. However, below USD 9.42 the futures will be divergence with the RSI, warning we have the potential to see a momentum slowdown, implying caution on downside breakouts.

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