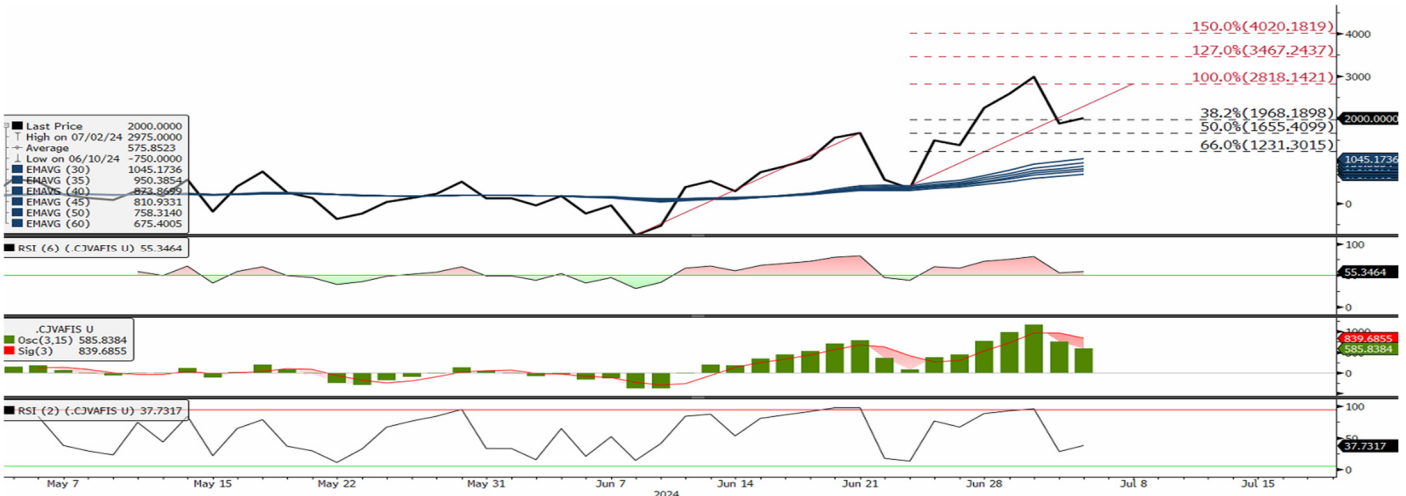




# Capesize Spread Report

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

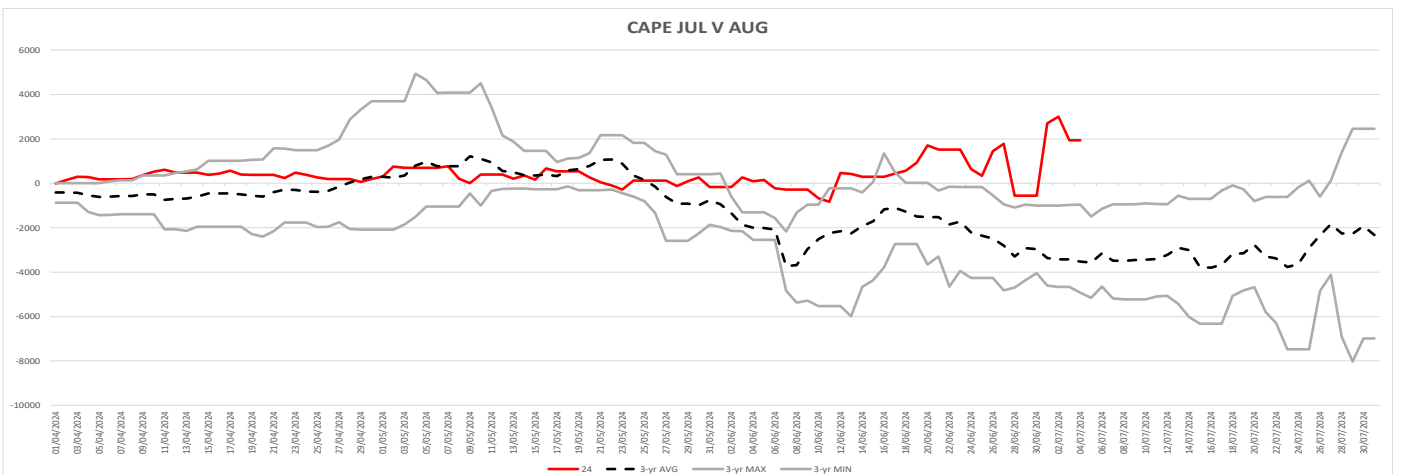
## Capesize July v Aug Spread



	Support	Resistance	Current Price	Bull	Bear
S1	1,968	R1	2,818	RSI above 50	
S2	1,655	R2	3,467		
S3	1,231	R3	4,020		

### Synopsis

- Price is above the EMA resistance band
- RSI is above 50 (55)
- MACD is above 0
- Price is below the weekly pivot point (USD 2,250)
- Technically bullish on the last report, we noted that the short period RSI was becoming overextended at 93 with the futures USD 900 over the 30 period EMA. When price was USD 850 below the 30 period EMA, the spread had a mean reversion back to the average. This warned that we could be vulnerable to a technical pullback, making USD 573 the key support to follow, if broken, then the technical will have a neutral bias. The July futures were consolidating with price below its 55-period EMA. A cautious bull on the spread due to threat of a mean reversion.
- The spread moved higher for two more sessions before mean-reverting around USD 1,000 to the EMA support band. Having held the support band, we have since traded up to new highs, the RSI is above 50 whilst the spread is just below the weekly pivot level (USD 2,250).
- Downside moves that hold at or above USD 1,231 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, downside price action is slowing with the RSI holding above 50 at this point. The EMA support band is now starting to widen, implying the buy-side trend is starting to strengthen, whilst the MACD has made a new high. This is warning that the corrective move lower has the potential to be countertrend, making USD 1,231 the key support to follow. If broken, then the probability of the spread trading to a new high will start to decrease. Bullish, we are cautious on this move lower as it could struggle to hold.



# Capesize July v Q3 Spread

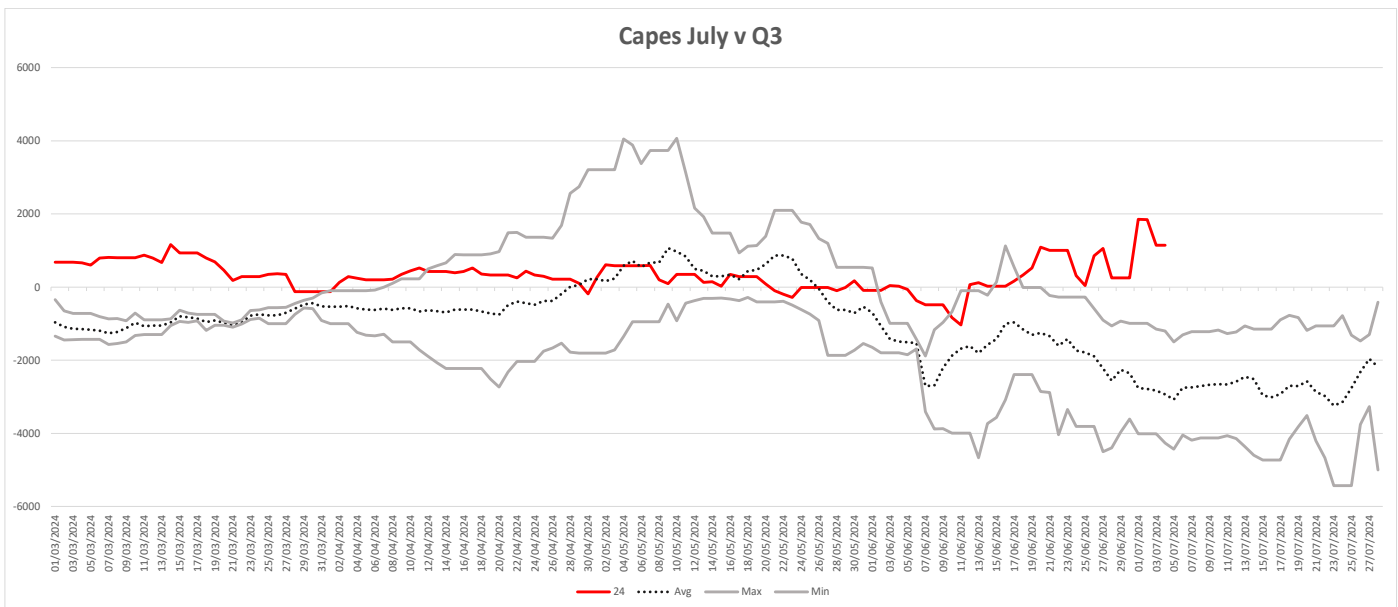


Support	Resistance	Current Price	Bull	Bear
S1	925	R1	1,825	MACD above 0
S2	637	R2	2,000	
S3	410	R3	2,533	
		1,150		

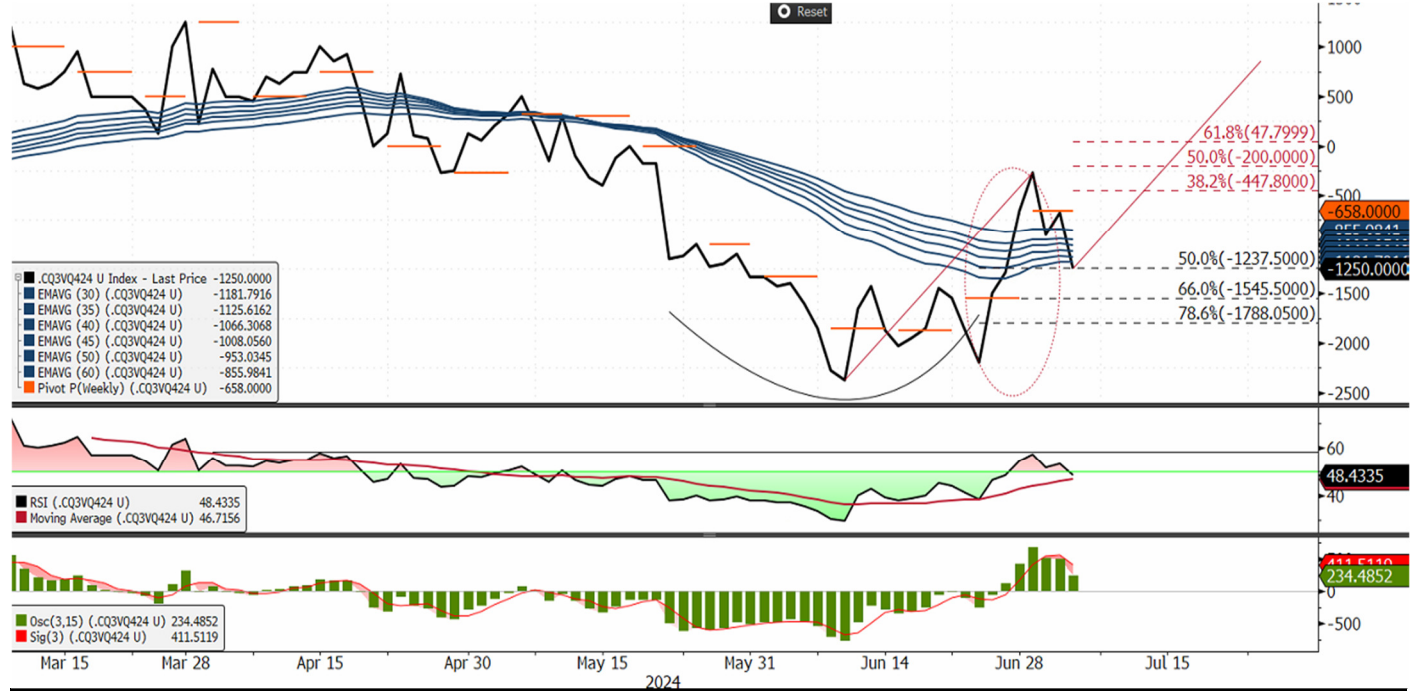
## Synopsis

Source Bloomberg

- Price is above the EMA resistance band
- RSI is above 50 (53)
- MACD is above 0
- Price is above the weekly pivot point (USD 1,333)
- Technically bullish on the last report, as noted in the July v Aug spread, the July was in a consolidation zone with price below the 55-period EMA. The Q3 futures had moved lower on the bearish belt hold previously with price finding resistance at the old support zone. The MACD on the spread was indicating momentum was supported; however, the MACD bars are slowing down. Both the 6- and-2-period RSI's were in divergence, warning we could be about to see a technical pullback. The spread was not considered a technical buy at these levels as it could be about to move lower.
- We traded higher over the next two session (high close USD 1,025) but the move failed to hold due to the divergence, resulting in price closing back below the EMA support band (USD 25). Having mean reverted on the divergence the spread has since gone on to trade to new highs. We are above the EMA support band with the RSI above 50.
- Technically bullish but in a corrective phase, the futures have seen an intraday pullback into the Fibonacci support zone; however, we are now seeing light bid support. The MACD high on the 01/07 is warning that the current pullback is looking like it could be countertrend, making USD 637 the key support to follow. A close below this level will warn that the probability of the spread trading to a new high will start to decrease. Like the July v Aug spread, we are cautious on downside moves at this point.



# Capesize Q3 v Q4



	Support	Resistance	Current Price	Bull	Bear
S1	-1,237	R1	-447	MACD above 0	RSI below 50
S2	-1,545	R2	-200		
S3	-1,788	R3	-47		

## Synopsis

Source Bloomberg

- Price is below the EMA resistance band
- RSI is below 50 (48)
- MACD is above 0
- Price is above the weekly pivot level (USD -658)
- Technically bearish with a neutral bias on the last report, the spread was holding above key support levels. The MA on the RSI was flat, implying momentum was neutral, the RSI was acting as a support to the RSI. Although we were seeing evidence of support in the market, the signal line on the MACD was flat whilst the MACD is below 0. This warned that the recent buyside momentum that we had seen was starting to slow. The spread is neutral, we noted that we could see another test to the downside in the near-term, as the July v Aug was vulnerable to a mean reversion whilst the July v Q3 is in divergence. However, we had a note of caution if we did trade to new lows as this area previously witnessed strong buyside support.
- The spread did have another test to the downside, but the move failed to hold (as highlighted) resulting in a strong move higher. Having traded to a high close of USD -275, we are now seeing a technical pullback with intraday price just below the 60-period EMA, whilst the RSI is below 50.
- Downside moves that hold at or above USD -1,545 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 implying that momentum is supported at this point. The recent upside move (circled on the chart) is greater than 161.8% than that of the original move, suggesting it is bullish impulse. For this reason, we have a cautious view on downside moves at this point.

## Cape Q3 v Q4 3 - year Seasonality with Max/Min Values

