



Capesize Technical Report

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Index

The index continued to sell lower last week; however, we are seeing light bid support whilst above the primary trend line (USD 17,563). The MA on the RSI indicates that momentum is weak whilst we have the MBP and weekly pivot creating a small resistance zone between USD 19,728 – USD 19,898. For upside continuation we need to see a close above the USD 19,898 level. Due to the RSI testing support, we are cautious on downside moves at this point.

Sep 24

The futures have moved higher due to the roll into Sep. The probability of the futures trading to a new low has started to decrease, due to the roll we are now above trend resistance. However, the RSI is testing resistance whilst the futures also have a resistance zone above it, warning we could see a technical pullback. The roll has put price back above the 200-period MA, but we are rejecting the resistance zone, due to this, price action is neutral. If we hold above the trend support (USD 23,317), then the resistance zone will come back under pressure

Q4 24

The piercing line candle pattern in the support zone failed to hold last week, resulting in the futures trading to new lows. The MA on the RSI is indicating that momentum is weak at this point; however, both the intraday and daily RSIs are in divergence, implying caution on downside moves, the intraday divergence is warning that resistance levels could come under pressure.

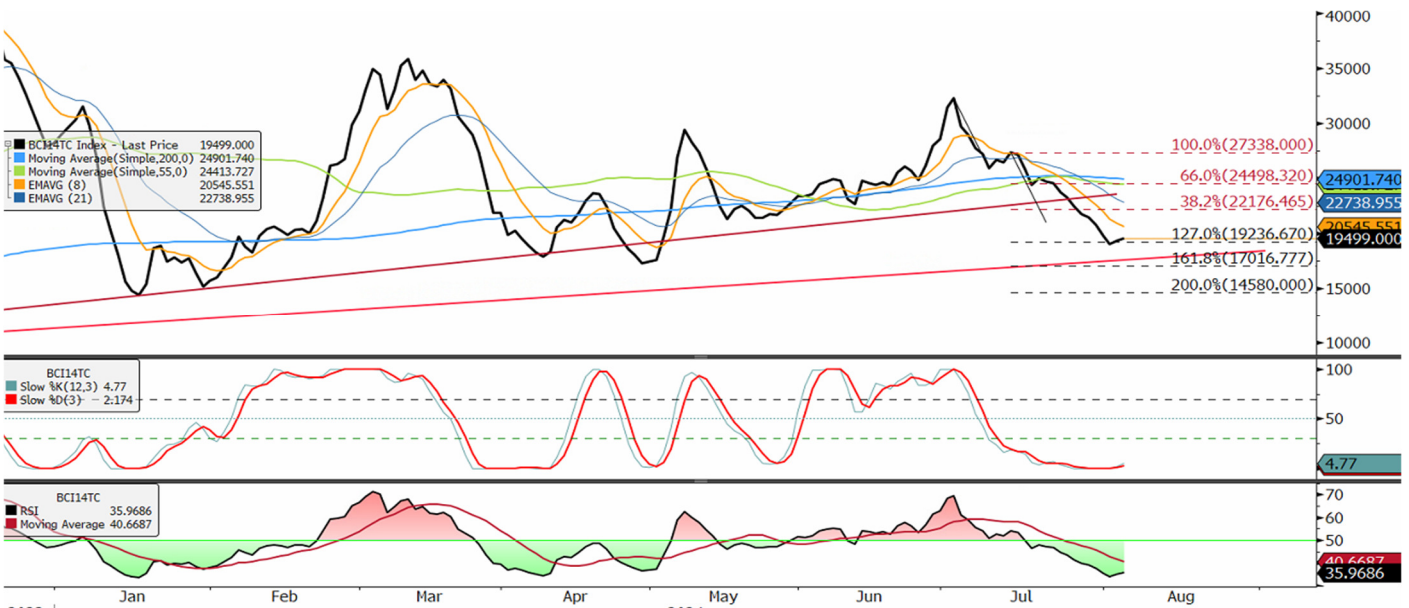
Cal 25

Having moved sideways for three sessions the futures have now traded below the low of the bullish engulfing candle. This has created a positive divergence on the intraday chart, implying caution on downside moves at these levels. A close above USD 21,800 will imply that buyside pressure is increasing, warning resistance levels will become vulnerable.

C5 Sep

Technically bearish, the futures are approaching key resistance at USD 10.16, momentum is neutral. A move above USD 10.16 will mean that the probability of the futures trading to a new high has started to decrease. Likewise, a rejection of the resistance will indicate we could see a move lower.

Capesize Index

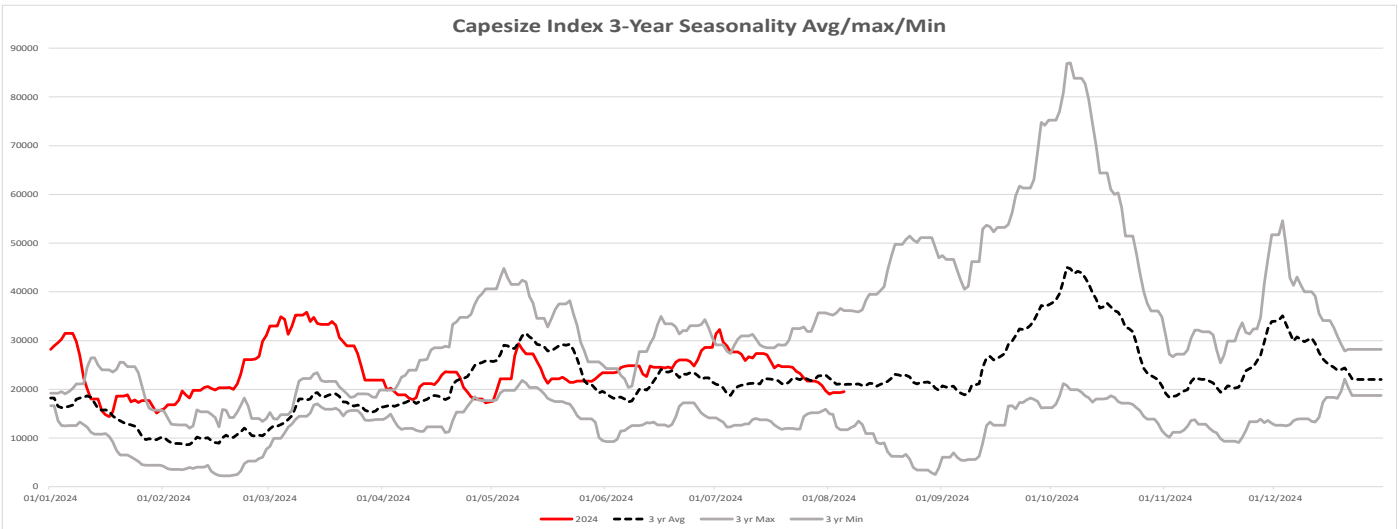


	Support	Resistance	Current Price	Bull	Bear
S1	19,236	R1	22,176	19,499	Stochastic oversold
S2	17,563	R2	24,498		
S3	17,016	R3	27,338		
					RSI below 50

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (39)
- Stochastic is oversold
- Price is below the weekly pivot point (USD 22,624)
- We remain bullish with a neutral bias last week; below USD 21,218 the technical would be bearish. The MA on the RSI is implied that momentum was weak; however, sell side momentum (based on price) was again starting to slow. We noted that we needed to see the index close above the weekly pivot level (USD 22,624) to indicate that buy-side pressure was increasing, whilst a close above the secondary trend support (USD 23,260) would further support a buyer's argument. A rejection of either of these resistance levels would warn that support levels are vulnerable. The slowing momentum whilst on fractal support is warning that downside moves could be limited from here.
- The index traded to a low of USD 18,986 before finding light bid support, the technical is now bearish. We are 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 19,728 will mean it is aligned to the buy side. Upside moves that fail at or below USD 24,498 will leave the index vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI is implying that momentum is weak at this point. We have the MBP at USD 19,728 and the weekly pivot at USD 19,898; upside moves that rejected the small resistance zone will warn that the primary trend support at USD 17,563 could be tested and broken. We have seen a small move higher in the last couple of sessions, but we have not moved high enough to convince that this upside move will have momentum support at this point. If we close above the USD 19,898 level, this may change. We are however testing RSI support, implying caution on moves lower.



Capesize Sep 24 (1 Month forward)

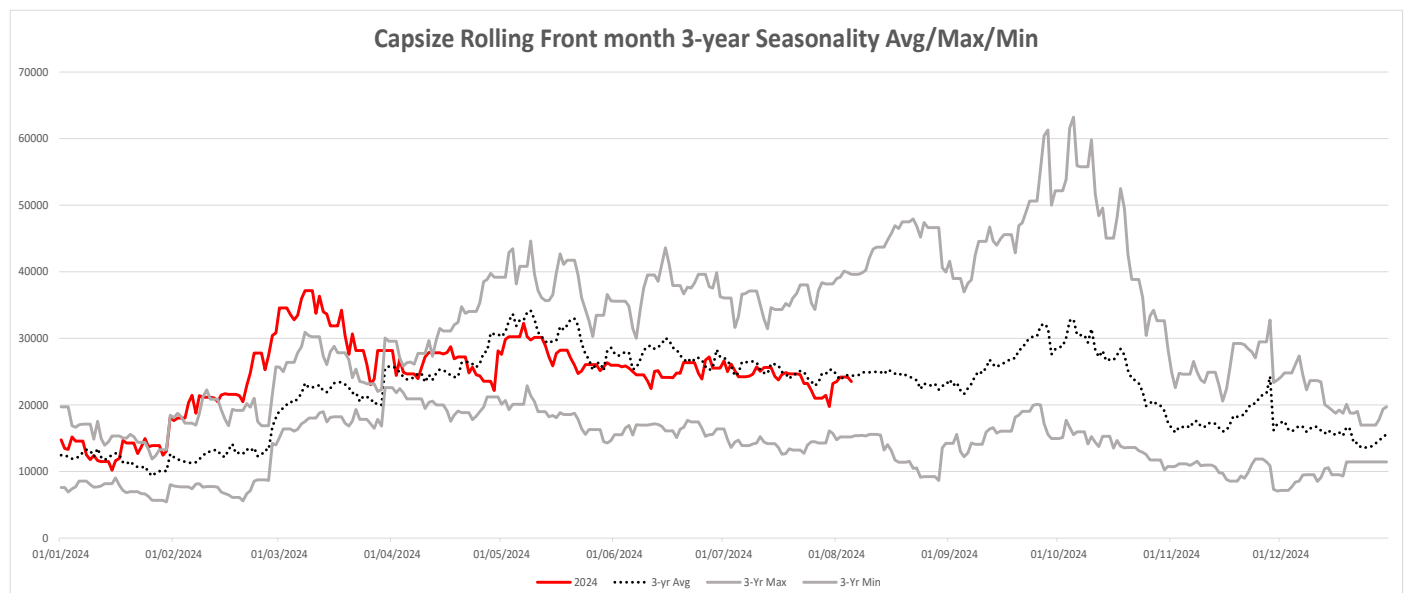


	Support	Resistance	Current Price	Bull	Bear
S1	23,317	R1	23,500		RSI below 50
S2	21,447	R2			
S3	20,727	R3			

Synopsis - Intraday

- Price is between the 8-21 period EMA's
- RSI is below 50 (47)
- Stochastic is above 50
- Technically bearish last week, the MA on the RSI implied that momentum remained weak. However, the futures were finding bid support on the intraday positive divergence, warning sell side momentum was starting to slow, implying caution on downside moves. We noted that we would roll into Sep on the Wednesday, meaning we could see price moving back above the longer-term averages, if we are also above the USD 23,772 resistance, then the probability of the futures trading to a new low will start to decrease. A cautious bear.
- The futures rolled with price trading above the USD 23,772 level, and the trend resistance. Price is above the 8-21 period EMA's with the below 50.
- Downside moves that hold at or above USD 21,447 will support a bull argument, below this level the USD 19,875 fractal low will be vulnerable.
- Technically we are bearish with a neutral bias. The roll means the futures are above trend resistance (USD 21,447); however, this is currently coming under pressure. The move above USD 23,772 means that the probability of the futures trading to a new low has started to decrease. Countering this, the RSI is testing resistance whilst the futures also have a resistance zone above it, warning we could see a technical pullback. The roll has put price back above the 200-period MA, but we are rejecting the resistance zone, due to this, price action is neutral. If we hold above the trend support (USD 23,317), then the resistance zone will come back under pressure.

Source Bloomberg



Capesize Q4 24

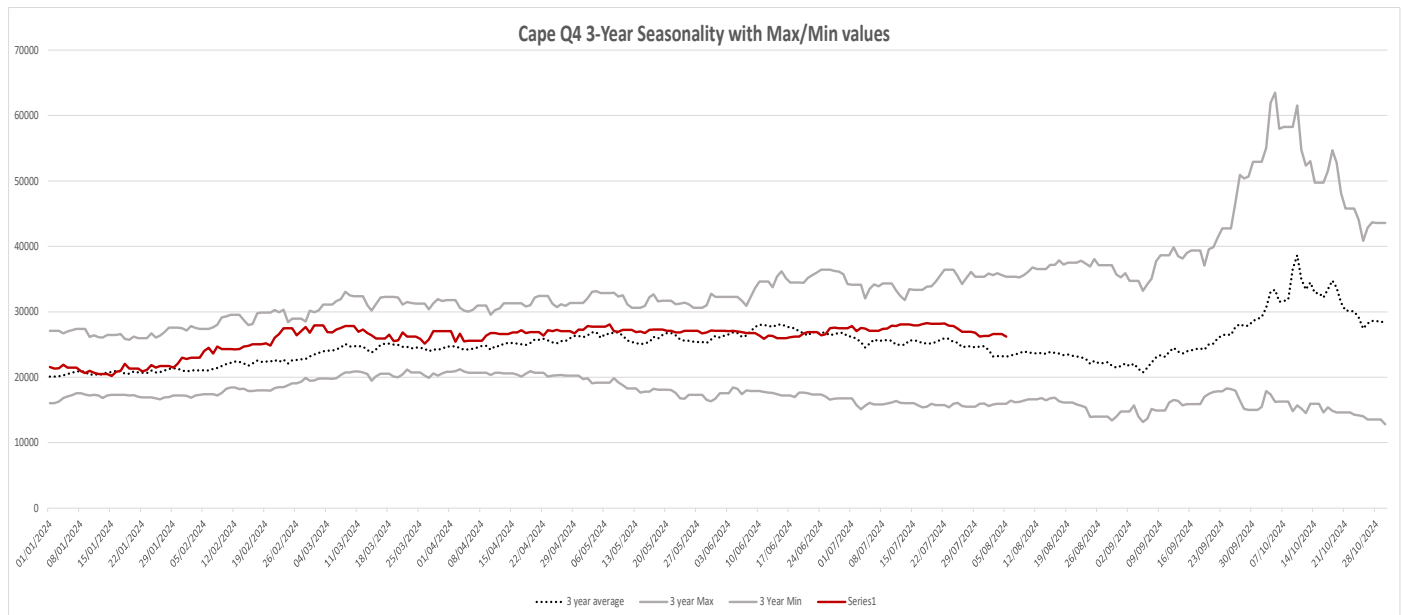


	Support	Resistance	Current Price	Bull	Bear
S1	25,675	R1	26,791	Stochastic oversold	RSI below 50
S2	25,296	R2	27,075		
S3	24,935	R3	27,459		

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA
- RSI is below 50 (42)
- Stochastic is oversold
- Technically bearish last week. We noted that if the futures stayed at their current levels into the close (USD 27,125), then we would have a piercing line pattern in play, warning we are seeing buyside support in the market, meaning the USD 27,671 resistance could come under pressure. If broken, then the probability of the futures trading to a new low will start to decrease. Although bearish, we are seeing support around the consolidation area that formed in the second half of May (highlighted), implying caution on downside moves whilst in the support zone.
- Having produced the piercing line candle pattern in the support zone last week, the futures promptly sold to a new low below the support zone. We are below all key moving averages with the RSI below 50.
- Upside moves that fail at or below 27,459 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the new low means that we have a positive divergence in play on both the daily and intraday charts, suggesting caution on downside moves at these levels. The MA on the RSI is indicating that momentum remains weak; however, the intraday divergence is implying resistance levels are starting to look vulnerable, meaning the futures are not considered a technical sell at these levels.



Capesize Cal 25

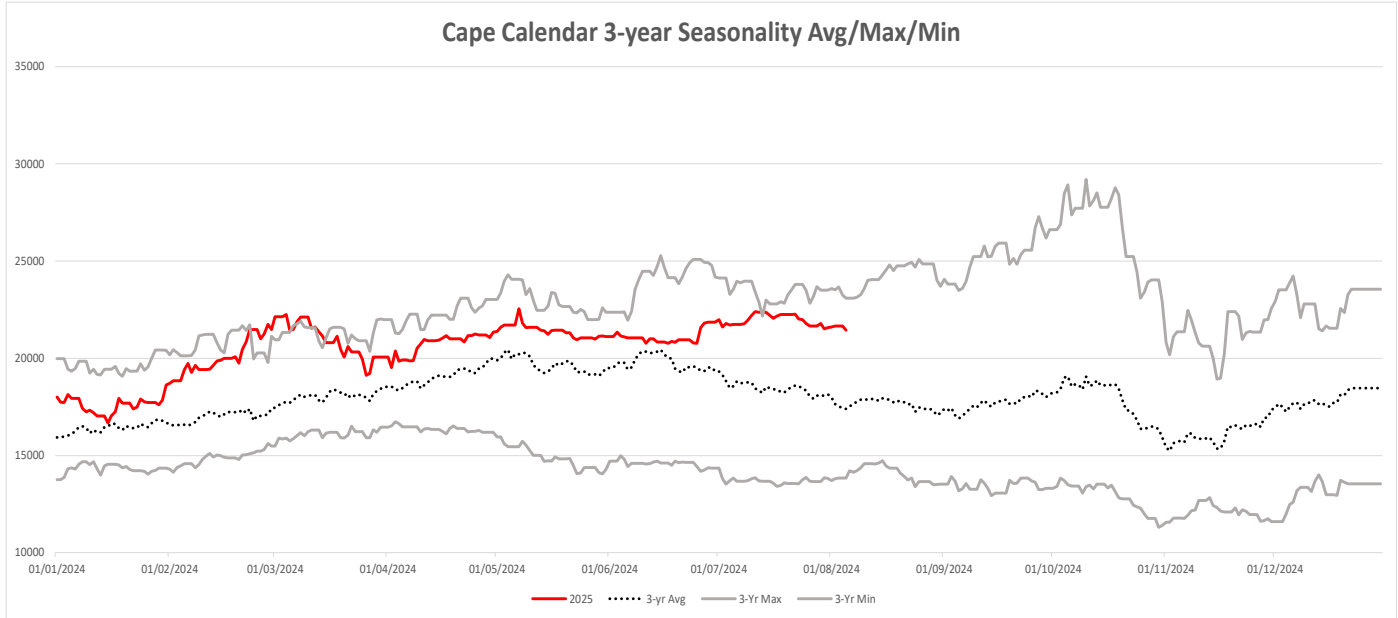


	Support	Resistance	Current Price	Bull	Bear
S1	20,500	R1	22,400	Stochastic oversold	RSI below 50
S2	19,844	R2	22,750		
S3	19,324	R3	23,826		

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (46)
- Stochastic is oversold
- Technically bullish but in a corrective phase last week. Momentum was conflicting as the MA on the RSI implied that we had light momentum weakness. However, the RSI was above 50 whilst the stochastic was in oversold territory, warning we could be about to move higher, providing the RSI held above the 50 level. The futures were also finding support on the 55-period EMA (intraday 4-hour 200-period MA), warning that there looked to be an underlying support in the market. This suggested caution on downside moves at those levels.
- The futures traded sideways for three days before trading to a high of USD 21,825 on Friday. We have now started to move lower with price trading below the low of the bullish engulfing candle from the 29/07. Price is below the 8-21 period EMA's with the RSI below 50.
- Technically bullish but in a corrective phase, the move below USD 21,425 means we have a positive divergence in play on the intraday technical, suggesting caution on downside moves at these levels. A close above USD 21,800 will imply that buy-side pressure is increasing, warning resistance levels would become vulnerable. We remain cautious on downside moves at these levels.



Capesize C5 Sep (Rolling Front Month Heikin Ashi Chart)



	Support	Resistance	Current Price	Bull	Bear
S1	9.32	R1	10.16		
S2	8.78	R2	10.32		RSI below 50
S3	8.24	R3	10.31		

- 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 below 50 (49)
- Stochastic is above 50
- Technically bearish last week, the futures were testing RSI support, meaning we had a minor positive divergence in play. Not a buy signal, it warned that we could see a momentum slowdown, implying caution on downside moves at those levels whilst the divergence is in play.
- Due to the roll into Sep, the futures have seen a move higher; however, the August contract continues to trade around last week's values. We are above the 8-21 period EMA's with the RSI near neutral at 49.
- Upside moves that fail to or below USD 10.16 will leave the futures vulnerable to further tests to the downside. Above this level the technical will have a neutral bias.
- Technically bearish, the futures are approaching key resistance at USD 10.16, momentum is neutral. A move above USD 10.16 will mean that the probability of the futures trading to a new high has started to decrease. Likewise, a rejection of the resistance will indicate we could see a move lower.