



Capesize Technical Report

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Index

The RSI held its support zone last week, resulting in a small move higher. Technically we remain bullish; however, the RSI is testing but remains below its average. For upside continuation, the RSI will need to move above its average, if we do, then the USD 28,232 fractal high could come under pressure. As noted previously, a new high will put the RSI in a resistance zone, and potentially in divergence, implying caution on upside breakouts.

Oct 24

Technically bullish but in a corrective phase last week, as noted previously our Elliott wave analysis suggested that downside moves looked like they could be countertrend. The futures have found bid support but are yet to trade above the USD 30,875 fractal high; for this reason, we maintain our view that downside moves look like they should still be countertrend. We remain cautious on upside breakouts above USD 30,875, as this will create a negative divergence with the RSI. Not a sell signal, it warns that we could see a momentum slowdown which will need to be monitored.

Q4 24

Bullish with a neutral bias last week, the probability of the futures trading to a new high had started to decrease; however, we were cautious on downside breakouts below USD 26,825, as this would create a positive divergence on the intraday technical. We failed to sell lower due to the divergence, resulting in price closing above the high of the last dominant bear candle (USD 27,525) and trading above the USD 28,178 resistance, meaning the technical is back in bullish territory. In theory, we should move higher; however, the upside move failed to hold resulting in a bearish rejection candle that was followed by a lower daily close, implying we have sell side pressure at higher levels. Price action is now neutral, for upside continuation we need to see a close above the high of the bearish rejection candle (USD 28,375); likewise, for downside continuation we need to close below the low of the last dominant bull candle (USD 27,000).

Cal 25

The futures have seen a small move higher on the back of the bullish support candle; however, we remain in a corrective phase with price holding in a bear channel at this point. The MA on the RSI and the 8-21 period EMA's are both flat, implying price and momentum are neutral. We have channel resistance at USD 21,764, suggesting caution around this area. If we reject the upper channel, it will leave lower channel support at USD 20,863 vulnerable in the near-term. Likewise, a close above that holds above the channel resistance will warn of upside continuation. Due to the upper resistance line, we have a note of caution on upside moves in the near-term.

C5 Oct 24

We highlighted the support area from the market profile chart last week which suggested caution on downside moves. The futures have moved higher with price now approaching the USD 11.30 fractal high; above this level price will be in divergence with the RSI. Not a sell signal, it is a warning that we have the potential to see a momentum slowdown, implying caution on upside breakouts. In theory, we should now test the fractal resistance; however, due to the divergence ahead, the futures are not considered a technical buy on an upside breakout.

Capesize Index

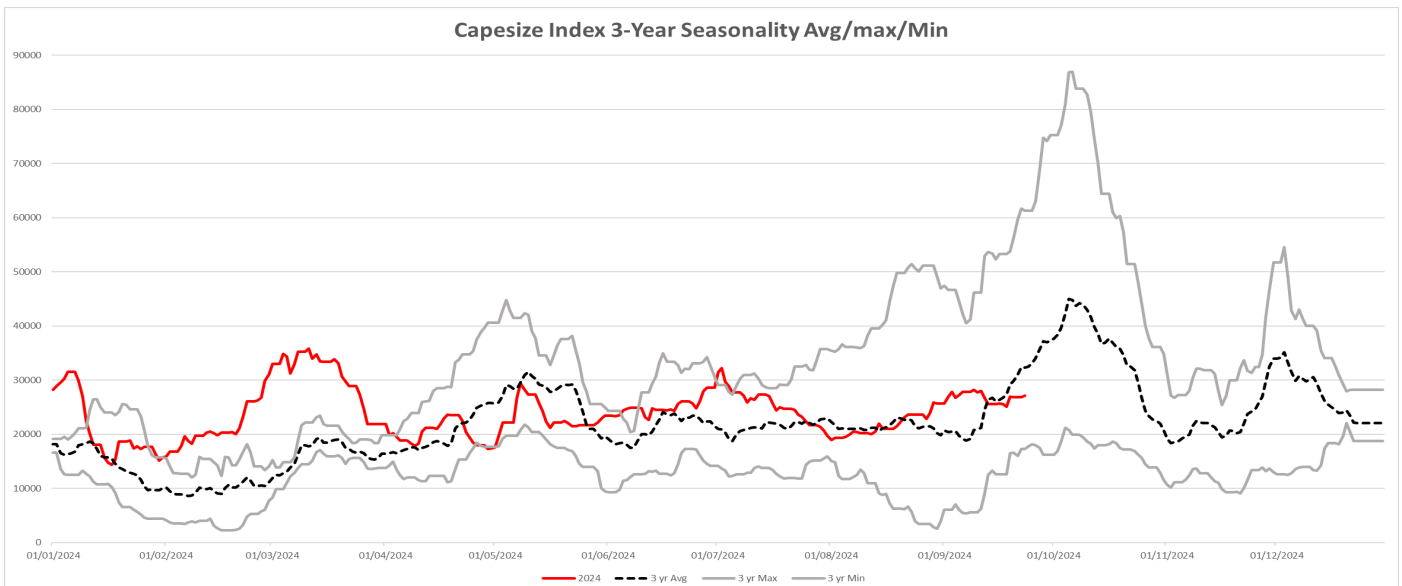


	Support	Resistance	Current Price	Bull	Bear
S1	24,700	R1	29,409	RSI above 50	
S2	22,129	R2	32,248		
S3	18,986	R3	35,828		

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (57)
- Stochastic is below 50
- Price is above the weekly pivot point (USD 26,296)
- Technically bullish but in a corrective phase last week, the MA on the RSI was flat, implying momentum was neutral. We had seen the index turn higher on the 16/09 whilst the RSI is in an area that has previously acted as support (highlighted). If we closed above the USD 27,075 level, it would warn that the USD 28,232 high could be tested and broken; however, as noted previously, above this level would put the RSI in a resistance zone and potentially in divergence, implying caution of upside breakouts. If we did trade below USD 22,129, then the probability of the index trading to a new high would start to decrease.
- The index has move higher with price above all key moving averages supported by the RSI above 50.
- Momentum based on price (MBP) is aligned to the buyside, a close below USD 26,146 will mean it is aligned to the sell side. Downside moves that hold at or above 22,129 will support a near-term bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the RSI has held is support zone and is now testing its MA. However, the average on the RSI is warning that momentum remains weak, meaning we will need to see the RSI move above the average for upside continuation. As noted previously, a move above USD 28,232 will put the RSI in a resistance zone and potentially in divergence, implying caution of upside breakouts. If we do trade below USD 22,129, then the probability of the index trading to a new high will start to decrease. The technical is suggesting that resistance levels are looking vulnerable, providing the RSI can move above its MA.



Capesize Oct 24 (1 Month forward)

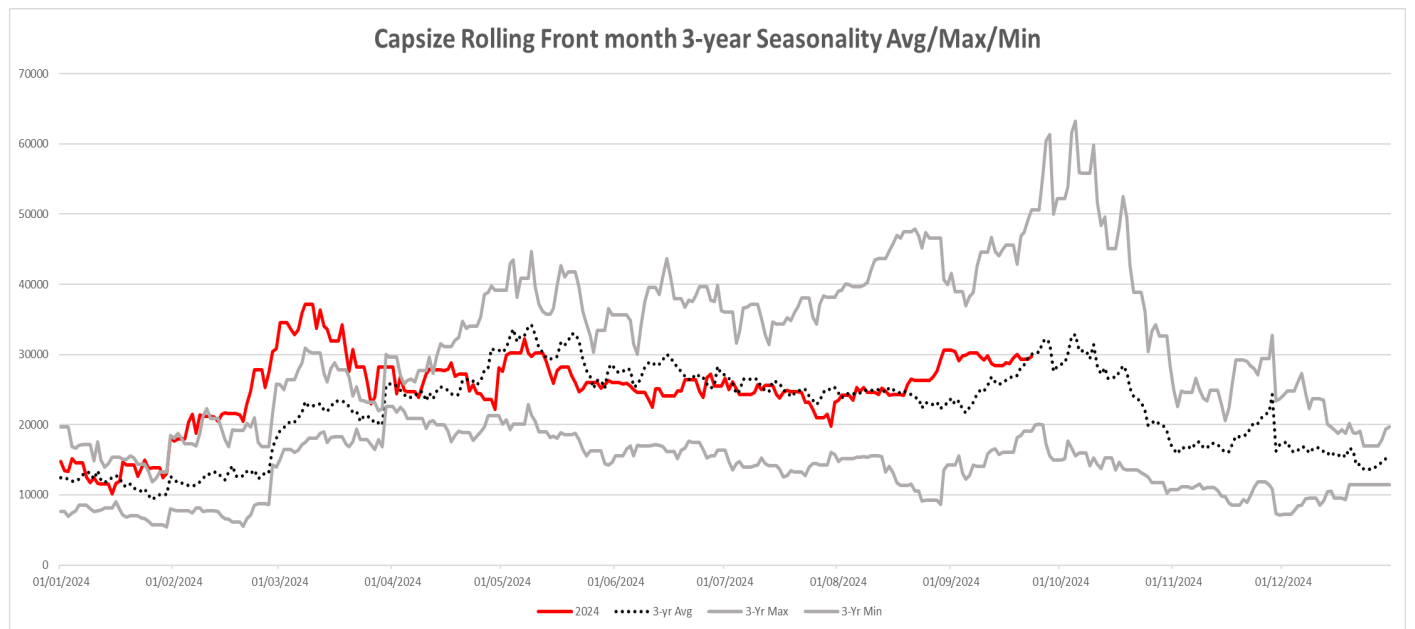


	Support	Resistance	Current Price	Bull	Bear
S1	28,000	R1	30,025	RSI above 50	
S2	27,112	R2			
S3	25,908	R3			

Synopsis - Intraday

- Price is above the 8-21 period EMA's
- RSI is above 50 (58)
- Stochastic is above 50
- Technically bullish last week, we remained in a corrective phase with the MA on the RSI suggesting that momentum was neutral. The rest of the technical was unchanged, our Elliott wave analysis continued to suggest that downside moves look like they could be countertrend, making USD 25,908 the key support to follow. If broken, then the probability of the futures trading to a new high would start to decrease. As previously noted, we remained cautious on upside breakouts above USD 30,875, as this would create a negative divergence with the RSI. Not a sell signal, it warned that we could see a momentum slowdown on an upside breakout. We maintain a cautious view on downside moves.
- Having previously traded to a low of USD 28,250 the futures have seen a small move higher. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 25,908 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI remains flat, implying momentum is neutral. The upside move has failed to trade above the USD 30,875 fractal high, meaning downside moves still look to be countertrend. As noted previously, we remain cautious on upside breakouts above USD 30,875, as this will create a negative divergence with the RSI. Not a sell signal, it warns that we could see a momentum slowdown which will need to be monitored.

Source Bloomberg



Capesize Q4 24

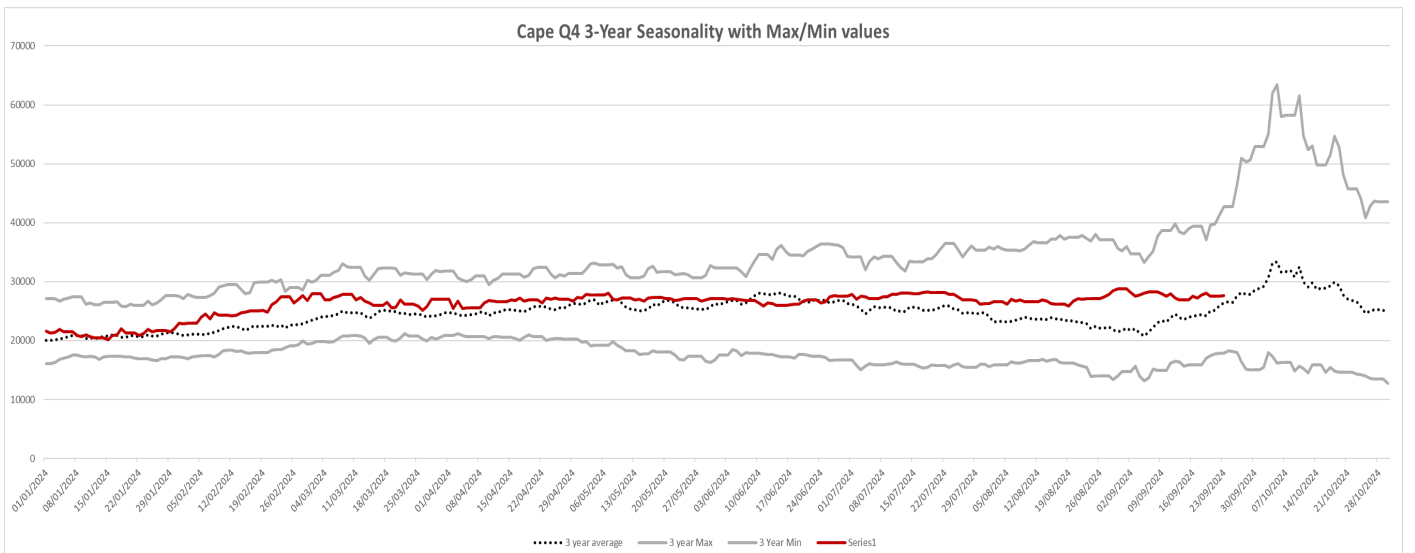


	Support	Resistance	Current Price	Bull	Bear
S1	26,895	R1	27,687	RSI above 50	
S2	26,517	R2			
S3	25,875	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA
- RSI is below 50 (51)
- Stochastic is above 50
- Technically bullish but with a neutral bias last week, the probability of the futures trading to a new high had started to decrease. The MA on the RSI indicated that momentum was weak, warning support levels remained vulnerable. A close on the daily candle above the high of the last dominant bear candle (USD 27,525) would indicate that buy-side pressure was increasing, warning the USD 28,178 resistance could be tested and broken; if it was, then the technical would be back in bullish territory. We had a note of caution on downside breakouts below the USD 26,825 low, as it had the potential to create a positive divergence on the intraday technical.
- The futures failed to sell lower due to the potential divergence below USD 26,825, resulting in a close above USD 27,525 and a move above 28,178, meaning the technical is back in bullish territory.
- Downside moves that hold at or above USD 26,895 will support a bull argument, below this level the technical will have a neutral bias.
- Technically we are bullish having closed above the last dominant bear candle and broken key resistance. However, the upside move has failed to hold, resulting in a bearish rejection candle that has been followed by a bear candle, implying we have sell-side pressure at higher levels. Price action is neutral, for upside continuation we need to see a close above the high of the bearish rejection candle (USD 28,375); likewise, for downside continuation we need to close below the low of the last dominant bull candle (USD 27,000).



Capesize Cal 25

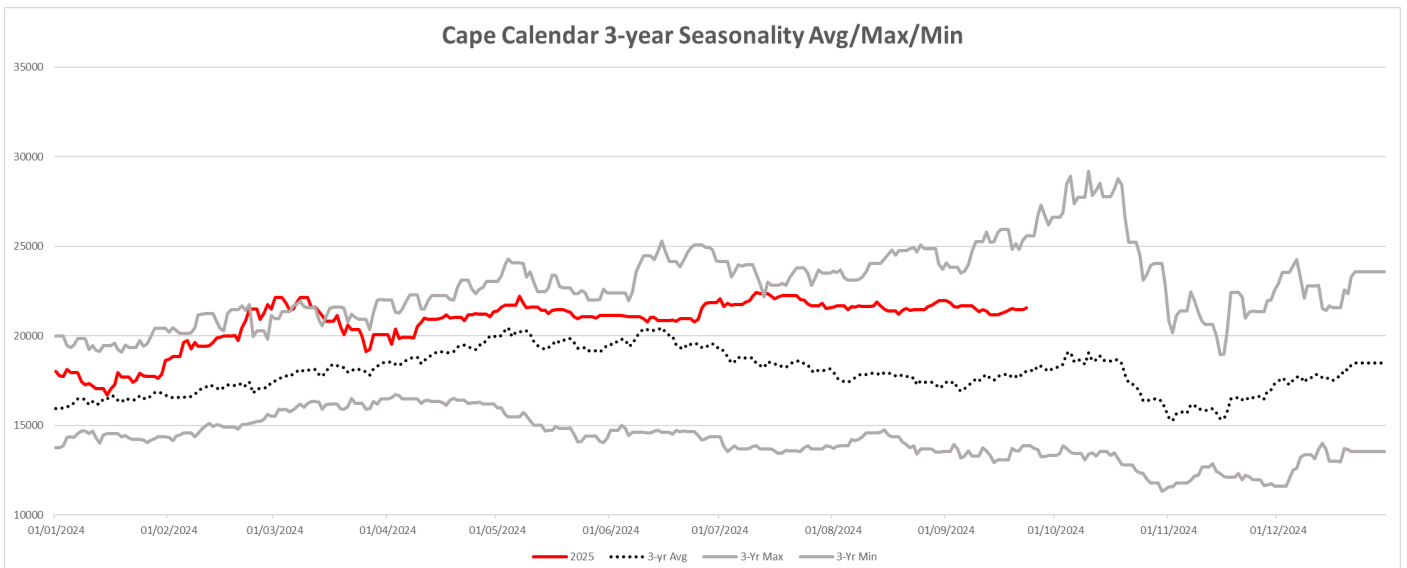


	Support	Resistance	Current Price	Bull	Bear
S1	20,863	R1	21,764	21,550	RSI below 50
S2	20,500	R2	22,400		
S3	19,844	R3	22,750		

Source Bloomberg

Synopsis - Intraday

- Price is above the 8-21 period EMA's
- RSI is below 50 (49)
- Stochastic is at 50
- Technically bullish on the last report, the futures remained in a corrective phase. The MA on the RSI implied that momentum was weak. However, a bullish support candle warned that there was underlying support in the market, meaning we are vulnerable to a move higher in the near-term. The initial positive divergence had failed; however, downside moves below USD 21,050 had the potential to create further divergences with the RSI, suggesting caution on downside breakouts below this level.
- The futures have seen a small move higher on the back of the bull support candle. Price is above the 8-21 period EMA's with the RSI above 50.
- Downside moves that hold at or above USD 19,844 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures remain in a corrective phase with price holding in a bear channel. The MA on the RSI are flat, as are the 8-21 period EMA's, implying momentum and price are neutral. Although we are moving higher, we have channel resistance at USD 21,764, suggesting caution on upside moves around this level. A rejection of the upper channel will leave lower channel support (USD 20,863) vulnerable in the near-term. Likewise, a close above that holds above the channel resistance will warn of upside continuation. Due to the upper resistance line, we have a note of caution on upside moves.



Capesize C5 OCT (Rolling Front Month Heikin Ashi Chart)



	Support	Resistance	Current Price	Bull	Bear
S1	10.53	R1	11.10	RSI above 50	
S2	10.29	R2			
S3	9.97	R3			

- 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 (56)
- Stochastic is at 50
- Technically bullish last week, the MA on the RSI was flat, implying momentum was neutral. We noted that if you looked at a market profile chart, the most heavily traded area in the last 12 months was between USD 11.10 – USD 9.30. Within this zone, the most heavily traded area was at USD 10.40. This level was between the 38.2% and 50% Fibonacci retracement area. The recent upside move since July had seen the RSI and price make new highs, warning this downside move (alongside the market profile chart support) had the potential to be countertrend. We were correcting but had a cautious view on moves lower. If we did trade below the USD 9.97 level, then the probability of the futures trading to a new high would start to decrease.
- The futures failed to trade lower with price now finding light bid support. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above 9.97 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI is implying that momentum remains weak. The futures are now approaching the USD 11.30 high, a move above this level will create a negative divergence with the RSI. Not a sell signal, it is a warning that we have the potential to see a momentum slowdown, implying caution on upside breakouts. In theory, we should now test the fractal resistance; however, due to the divergence ahead, the futures are not considered a technical buy on an upside breakout.

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