



Capesize Technical Report

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Index

Having failed to close above the weekly pivot level previously, the index traded to a low of USD 8.95, before finding bid support on the back of the positive divergence. We remain cautious on downside moves as below USD 8,945 will create further divergences with the RSI.

Feb 25

We were cautious on moves lower on the last report due to the positive divergence with the RSI on the intraday and daily timeframes; however, the futures have seen a move lower over the seasonal holiday. We remain bearish but in divergence on both timeframes, warning we still have the potential to see a momentum slowdown. As previously noted, our Elliott wave analysis suggests that upside moves should in theory be countertrend, making USD 21,450 the key resistance to follow on this technical. We are a cautious bear due to the divergence in play.

Q2 25

Technically bearish. Elliott wave analysis indicates that upside moves look to be countertrend, making USD 19,180 the key resistance to follow; if broken, then the probability of the futures trading to a new low will start to decrease. If we trade below USD 16,375, our Fibonacci projection levels suggest we could trade as low as USD 14,160 within this phase of the cycle. However, a new low will create a positive divergence with the RSI; not a buy signal, it is a warning that we could see a momentum slowdown, which will need to be monitored.

Cal 26

Technically bearish. Elliott wave analysis is suggesting that upside moves look like they could be countertrend, making USD 19,762 the key resistance to follow; above this level the probability of the futures trading to a new low will start to decrease. A close above the weekly pivot point (USD 18,250), will imply that buy-side pressure is increasing in the near-term, warning resistance levels could come under pressure.

C5 Feb 25

The futures failed to close above the USD 6.95 level on the last report, resulting in a small move lower. However, we did see light bid support on the back of a positive divergence with the RSI. We remain bearish with the RSI looking like it is in the process of rejecting an old support level, warning the USD 6.58 fractal low could come under pressure. Downside moves below USD 6.58 will create a second divergence with the RSI, implying caution on moves below this level. Bearish, support looks vulnerable; however, with the positive divergence in play we have a more neutral view at these levels.

Capesize Index



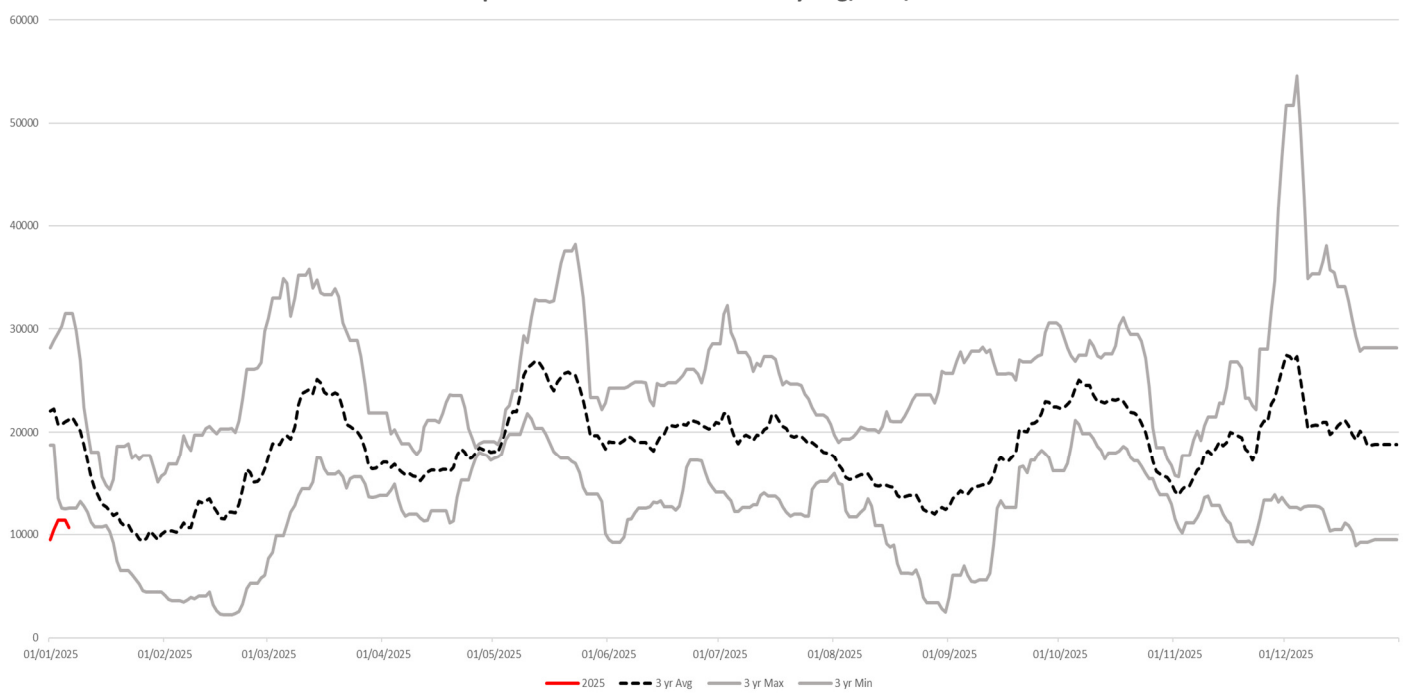
Support	Resistance	Current Price	Bull	Bear
S1	8,945	R1	15,756	RSI below 50
S2	6,727	R2	17,861	
S3	3,096	R3	20,714	
		10,696		

Synopsis

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (36)
- Stochastic is at 50
- Price is below the weekly pivot point (USD 11,186)
- Unchanged on the technical previously; the MA on the RSI continued to imply momentum was weak, whilst the RSI was still in divergence. A close above the weekly pivot level (USD 11,186) would warn buyside pressure was increasing, leaving the futures vulnerable to a move higher. Like last week, we have a note of caution on moves lower whilst the divergence is in play.
- The index failed to close above the USD 11,186 level, resulting in price trading to a low of USD 8,945 before moving higher on the RSI divergence. We are between the 8-21 period EMA's with the RSI above 50.
- Momentum based on price (MBP) is aligned to the buyside, a move below USD 10,184 will mean it is aligned to the sell side. Upside moves that fail at or below USD 20,714 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 starting to turn higher, implying we are seeing momentum support at this point. We have moved higher due to a positive divergence, below USD 8,945 will create further divergences, indicating caution on downside breakouts. We maintain a cautious view on downside moves at these levels.

Capesize Index 3-Year Seasonality Avg/max/Min



Capesize Feb 25 (1 Month forward)

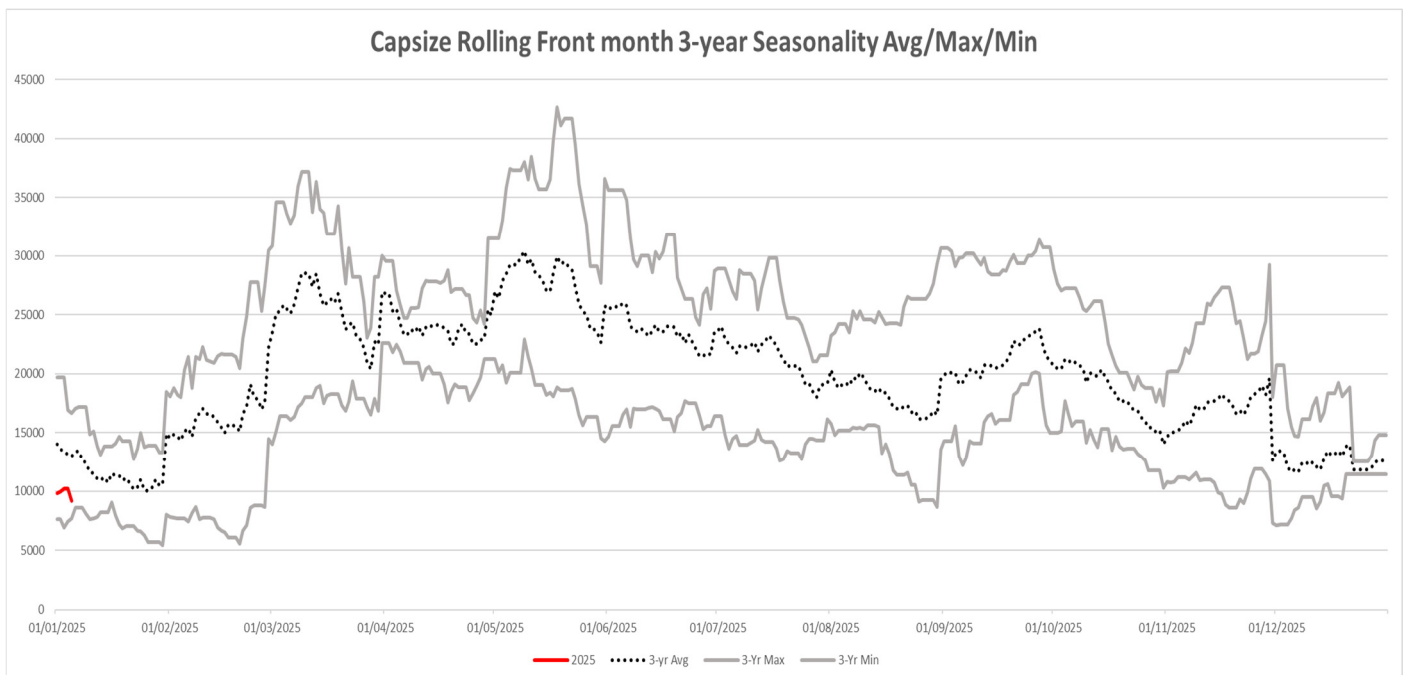


	Support	Resistance	Current Price	Bull	Bear
S1	6,131	R1	12,750	9,175	Stochastic oversold
S2	4,087	R2	16,258		
S3	2,043	R3	18,462		

Synopsis

- Price is below the 8-21 period EMA's
- RSI is below 50 (33)
- Stochastic is oversold
- Technically bearish on the last report, the move below USD 10,425 had created both a daily and intraday divergence. Not a sell signal, they did warn that we could see a momentum slowdown which needed to be monitored. We were cautious on downside moves at these levels, as the divergence warned that resistance levels could be tested and broken.
- The futures have moved around USD 2,000 lower. We are below all key moving averages with the RSI below 50.
- Upside moves above USD 12,750 will mean that the technical is bullish; however, key resistance from an Elliott wave perspective is at USD 21,450, upside moves that fail at or below this level will warn that there could be a larger, bearish wave cycle in play.
- Technically bearish, both the intraday and daily RSI's remain in divergence, warning we have the potential to see a momentum slowdown. However, as noted previously, our Elliott wave analysis suggests that upside moves should in theory be countertrend, making USD 21,450 the key resistance to follow on this technical. We are a cautious bear due to the divergence in play.

Source Bloomberg



Capesize Q2 25

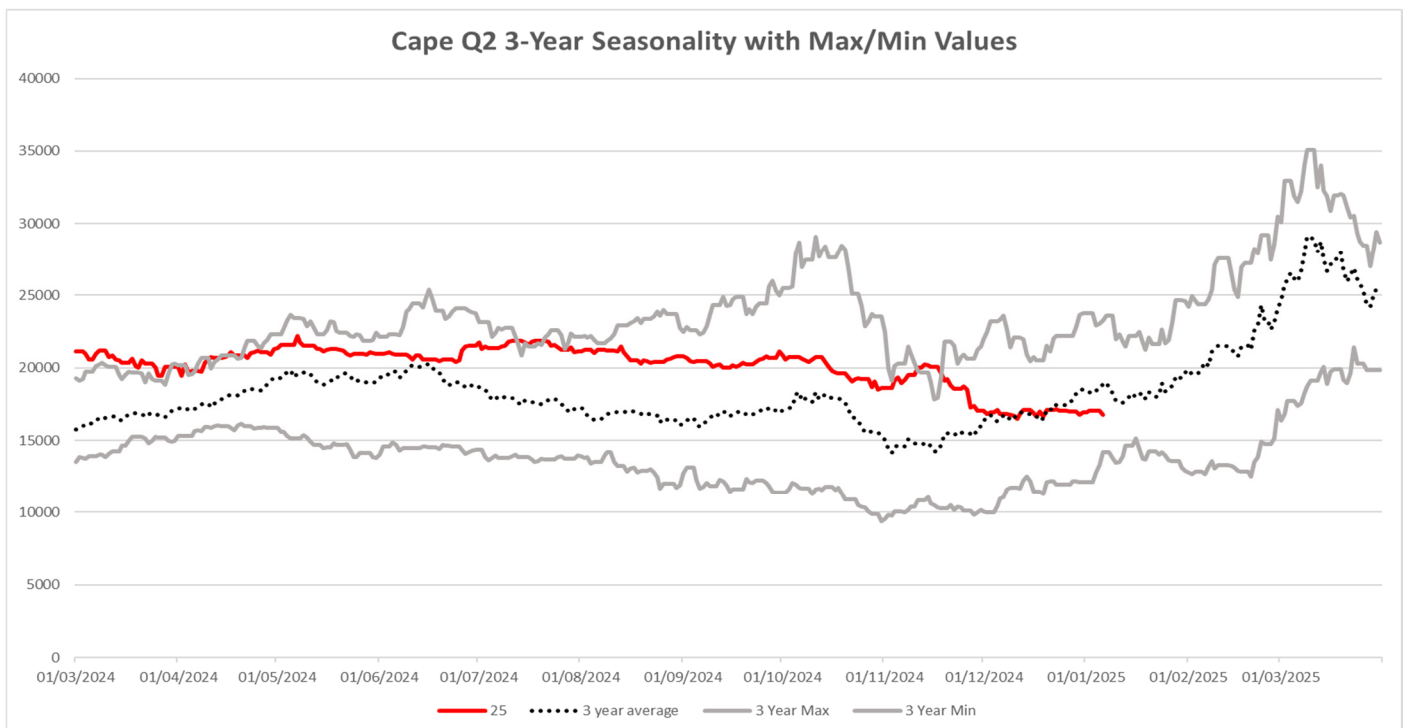


	Support	Resistance	Current Price	Bull	Bear
S1	16,375	R1	17,998		
S2	15,340	R2	18,500		RSI below 50
S3	14,750	R3	19,180		

Synopsis

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (39)
- Stochastic is above 50
- The futures have rolled into Q2 25.
- Technically bearish the futures have consolidated having seen a small move higher around the 13th of Dec.
- Having traded up to the 21 period EMA into the year end, the futures are now selling lower. We are below all key moving averages supported by the RSI below 50.
- Upside moves that fail at or below USD 19,180 will leave the futures 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 supported. Elliott wave analysis indicates that upside moves look to be countertrend, making USD 19,180 the key resistance to follow; if broken, then the probability of the futures trading to a new low will start to decrease. If we trade below USD 16,375, our Fibonacci projection levels suggest we could trade as low as USD 14,160 within this phase of the cycle. However, a new low will create a positive divergence with the RSI; not a buy signal, it is a warning that we could see a momentum slowdown, which will need to be monitored.



Capesize Cal 26

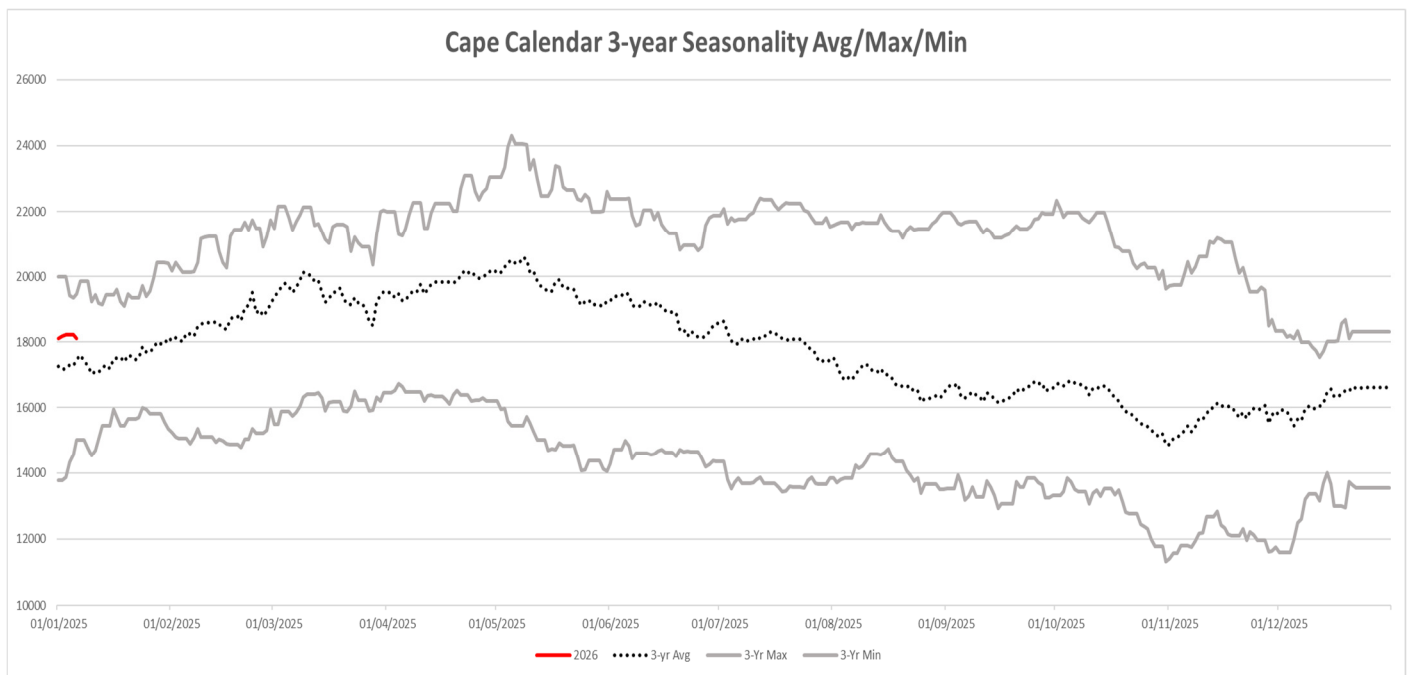


	Support	Resistance	Current Price	Bull	Bear
S1	17,650	R1	18,250		
S2	17,011	R2	18,872		RSI below 50
S3	16,575	R3	19,762		

Source Bloomberg

Synopsis

- Price is between the 8-21 period EMA's
- RSI is below 50 (37)
- Stochastic is overbought
- Like the Cal 25, the Cal 26 futures have moved higher due to a positive divergence with the RSI.
- Having traded to a high of USD 18,425, the futures have rejected the 21 period EMA, resulting in price selling a little lower. We are below all key moving averages supported by the RSI below 50.
- Upside moves that fail at or below USD 19,762 will leave the futures 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 momentum is supported. Elliott wave analysis is suggesting that upside moves look like they could be countertrend, making USD 19,762 the key resistance to follow; above this level the probability of the futures trading to a new low will start to decrease. A close above the weekly pivot point (USD 18,250), will imply that buy-side pressure is increasing in the near-term, warning resistance levels could come under pressure.



Capesize C5 Feb 25 (Rolling Front Month Heiken Ashi Chart)



	Support	Resistance	Close Price	Bull	Bear
S1	6.58	R1	8,17	6.91	RSI below 50
S2	5.06	R2	8.67		
S3	4.50	R3	9.33		

Synopsis

- 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's
- RSI is below 50 (34)
- Stochastic is below 50
- Current price USD 6.85
- Technically bearish in the previous report, the MA on the RSI implied that momentum remained weak; however, faster moving momentum indicators had left oversold territory, suggesting we were seeing signs of support. If the futures closed above and held above the weekly pivot level (USD 6.95) it would indicate that buy-side pressure was increasing, warning resistance levels could come under pressure.
- The futures failed to close above the USD 6.95 level, resulting in a small move lower. We had seen light bid support on the back of a positive divergence with the RSI; however, the futures are a touch softer today (06/01). We are between the 8-21 period EMA's with the RSI below 50.
- Upside moves that fail at or below USD 9.33 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 have moved higher due to a positive divergence with the RSI; however, the RSI looks to be in the process of rejecting an old support level (highlighted), warning the USD 6.58 fractal low could come under pressure. Downside moves below USD 6.58 will create a second divergence with the RSI, implying caution on moves below this level. Bearish, support looks vulnerable; however, with the positive divergence in play we have a more neutral view at these levels.

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