



# Capesize Technical Report

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

## Index

We closed above the weekly pivot level last week (USD 6,184), resulting in price moving higher. We remain bearish but price is above the MBP level and the weekly pivot point, warning resistance levels are vulnerable. If we do trade above USD 10,843, then the probability of the index trading to a new low will start to decrease. Market buyers will need to be cautious on a close below the MPB-weekly pivot support zone (USD 7,480—USD 7,328), as it will warn that sell side pressure is increasing.

## March 25

Bullish with downside moves considered as countertrend on the previous report, the futures have now traded to a new high. The intraday technical is showing a 5-wave pattern higher whilst in divergence with the RSI, warning the futures are vulnerable to a technical pullback. However, although this technical suggests caution on moves higher due to the intraday Elliott wave cycle, the futures will be rolling into April on Friday (28/02—short month). This is going to result in price gapping higher by nearly USD 4,000 on the roll and will almost certainly create a higher timeframe wave extension (this will result in momentum indicators making new highs), meaning downside moves should be considered as countertrend (after the roll). This will become more apparent when we look at the Q2, as this cycle has already extended on the recent push higher. The March contract might look vulnerable to a move lower, but without a strong correction in the April, the wave cycle will become bullish again on the roll.

## Q2 25

The futures needed to trade above the USD 18,325 level to confirm that we were on a bullish impulse wave 5 last week, with wave analysis suggesting we could trade as high as USD 18,765 within this phase of the cycle. However, we did have a note of caution on upside breakouts, as the futures would be in divergence with the RSI. We did move higher, but the divergence failed, meaning we are looking at a bullish Elliott wave extension. We have two Elliott wave cycles in play, lower timeframe and higher timeframe, both cycles suggest that downside moves should in theory be countertrend, making USD 18,378 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease.

## Cal 26

Technically bullish with downside moves considered as countertrend last week, intraday momentum indicators were in divergence, meaning we had a note of caution on downside moves. The futures have continued to move higher without producing a technical pullback. Intraday Elliott wave analysis continues to imply that downside moves should be considered as countertrend, making USD 18,109 the key support to follow. The intraday RSI remains in divergence with price whilst approaching the 200-period MA (USD 19,951), we also have a resistance zone above the average highlighted on the chart. Despite the move higher last week, we maintain a note of caution on moves higher at these levels, but maintain our view that downside moves should be considered as countertrend. A close below the low of the last dominant bull candle (USD 19,600) will warn that buy-side pressure is fading, implying we could enter a corrective phase.

## C5 March

Bullish with downside moves considered as countertrend last week, the futures closed above the weekly pivot level, resulting in price trading to new highs. The upside move to a new high has resulted in the divergence failing. However, the RSI is approaching a resistance zone which will need to be monitored, as the roll into April on Friday will put price in the zone. A close below the low of the last dominant bull candle (USD 8.03) will warn that buy-side pressure is decreasing, leaving the futures vulnerable to a technical pullback.

# Capesize Index

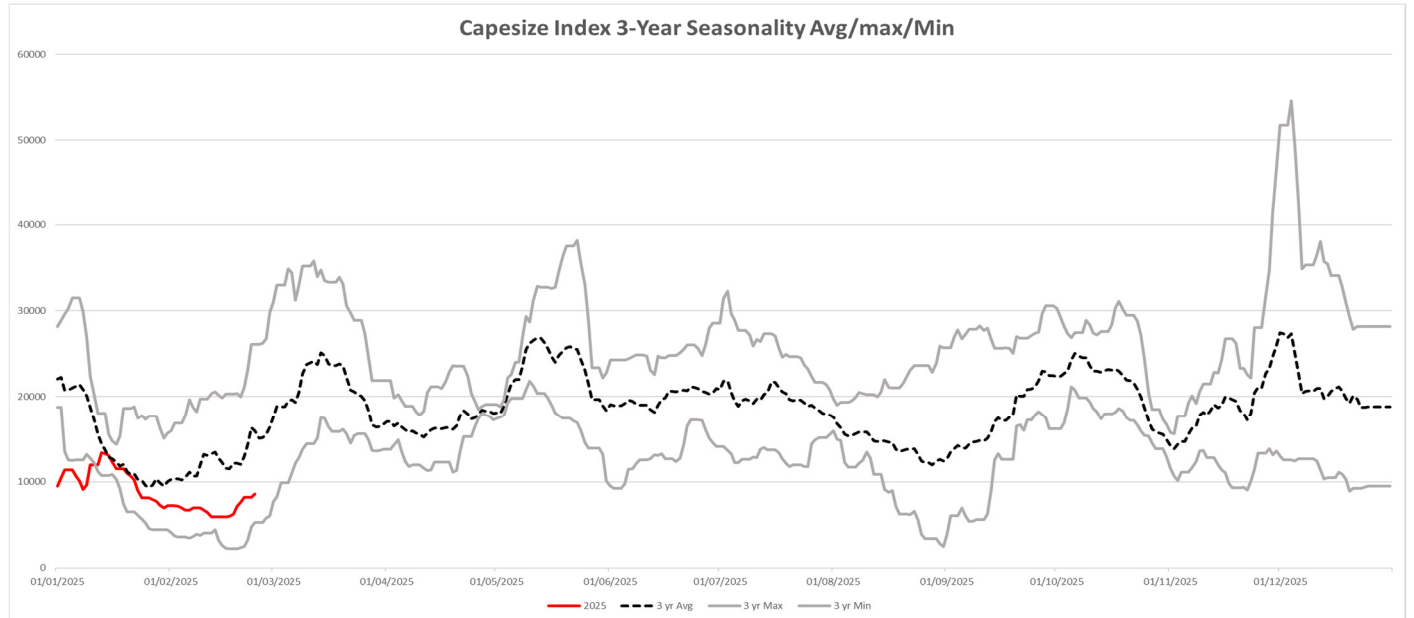


	Support	Resistance	Current Price	Bull	Bear
S1	7,480	R1	8,760		
S2	7,328	R2	10,843		RSI below 50
S3	5,899	R3	13,391		

## Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is below 50 (47)
- Stochastic is overbought
- Price is above the weekly pivot point (USD 7,480)
- Technically bearish on the last report, the RSI remained in divergence with price; not a buy signal it warned that we could see a momentum slowdown, which needed to be monitored. As we were in a bearish trending environment, we noted that we needed to see a close above the weekly pivot level (USD 6,184) to signal that buy-side pressure is increasing.
- The index closed above the weekly pivot level, resulting in price moving higher. We are above the 8– 21 period EMA's with the RSI still below 50.
- Momentum based on price is aligned to the buy-side, a close below USD 7,328 will mean it is aligned to the sell side. Upside moves that fail at or below USD 10,843 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 implies that we have light momentum support ,whilst we are above the weekly pivot level, warning resistance levels are vulnerable. If we do trade above USD 10,843, then the probability of the index trading to a new low will start to decrease. Market buyers will need to be cautious on a close below the MPB-weekly pivot support zone (USD 7,480—USD 7,328), as it will warn that sell side pressure is increasing.



# Capesize March 25 (1 Month forward)

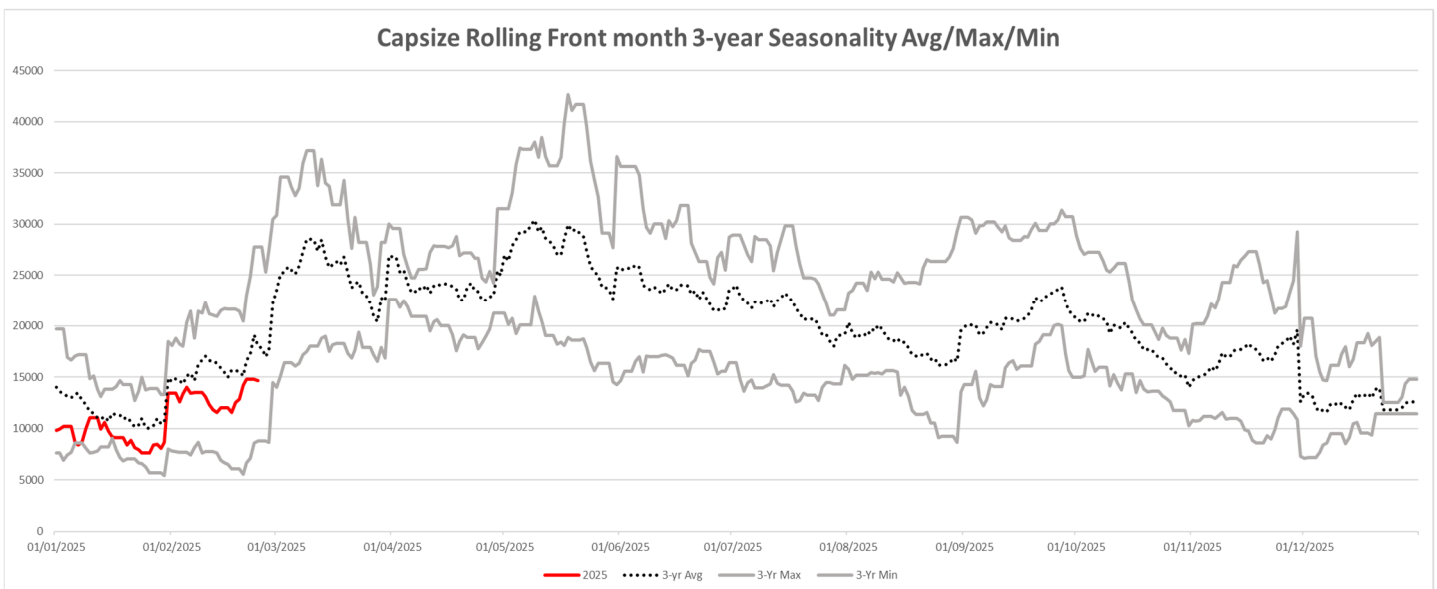


	Support	Resistance	Current Price	Bull	Bear
S1	13,075	R1	14,425	RSI above 50	Stochastic overbought
S2	11,400	R2			
S3	10,142	R3			

## Synopsis

- Price is above the 8-21 period EMA's
- RSI is above 50 (57)
- Stochastic is overbought
- The futures remained bullish but in a corrective phase last week. The RSI was below its average; however, the MA on the RSI continued to suggest that momentum was supported, implying caution on moves lower. As noted previously, intraday Elliott wave analysis suggested that downside moves should be considered as countertrend, making USD 9,819 the key support to follow. Below this level, the probability of the futures trading to a new high would start to decrease. A close above that held above the 55-period EMA (USD 12,590) would indicate that buy-side pressure was increasing, warning the USD 14,175 fractal high could be tested and broken.
- The move did prove to be countertrend, resulting in the futures trading to a new high. We are above all key moving averages supported by the RSI above 50.
- Technically bullish, the MA on the RSI is flat, implying momentum is turning neutral. The intraday technical is showing a 5-wave pattern higher whilst in divergence with the RSI, warning the futures are vulnerable to a technical pullback. However, although this technical suggests caution on moves higher due to the intraday Elliott wave cycle, the futures will be rolling into April on Friday (28/02—short month). This is going to result in price gapping higher by nearly USD 4,000 on the roll and will almost certainly create a higher timeframe wave extension (this will result in momentum indicators making new highs), meaning downside moves should be considered as countertrend (after the roll). This will become more apparent when we look at the Q2, as this cycle has already extended on the recent push higher. The March contract might look vulnerable to a move lower, but without a strong correction in the April, the wave cycle will become bullish again on the roll.

Source Bloomberg



# Capesize Q2 25

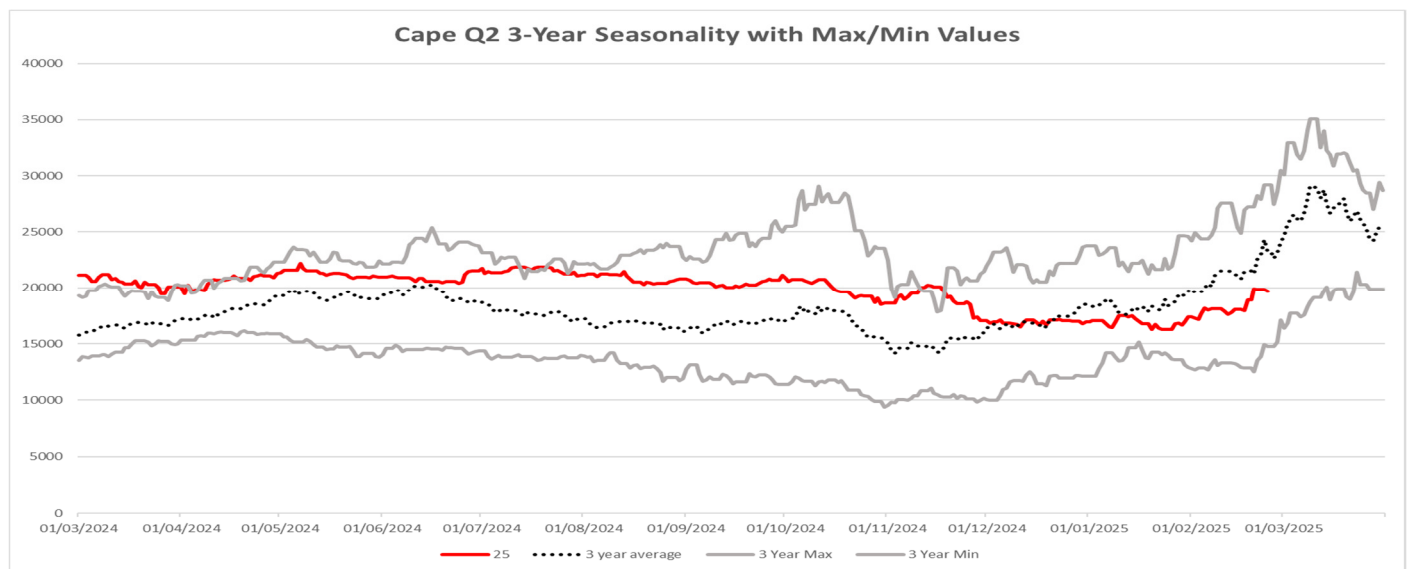


	Support	Resistance	Current Price	Bull	Bear
S1	19,198	R1	19,550	RSI above 50	Stochastic overbought
S2	18,850	R2			
S3	18,378	R3			

## Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (62)
- Stochastic is overbought
- Technically bullish last week, the futures looked to be on a bullish impulse Elliott wave 5 for this phase of the cycle; however, final confirmation would only come above USD 18,325. The MA on the RSI implied that momentum was supported, whilst Fibonacci projection levels suggested we could trade as high as USD 18,765 within this phase of the cycle. We did have a note of caution on upside breakouts above USD 18,325, as it would create a negative divergence with the RSI. Not a sell signal, it warned that we could see a momentum slowdown, which needed to be monitored.
- The futures did trade above the USD 18,325, however the divergence failed, meaning we are looking at an Elliott wave extension to the upside. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 18,378 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the upside moves has resulted in an Elliott wave extension, meaning downside moves should be considered as countertrend. The futures have entered a small corrective phase; however, we have two Elliott wave cycles in play, lower timeframe and higher timeframe, both cycles suggest that downside moves should in theory be countertrend. If we do trade below the USD 18,378 support, then the probability of the futures trading to a new high will start to decrease.





# Capesize Cal 26

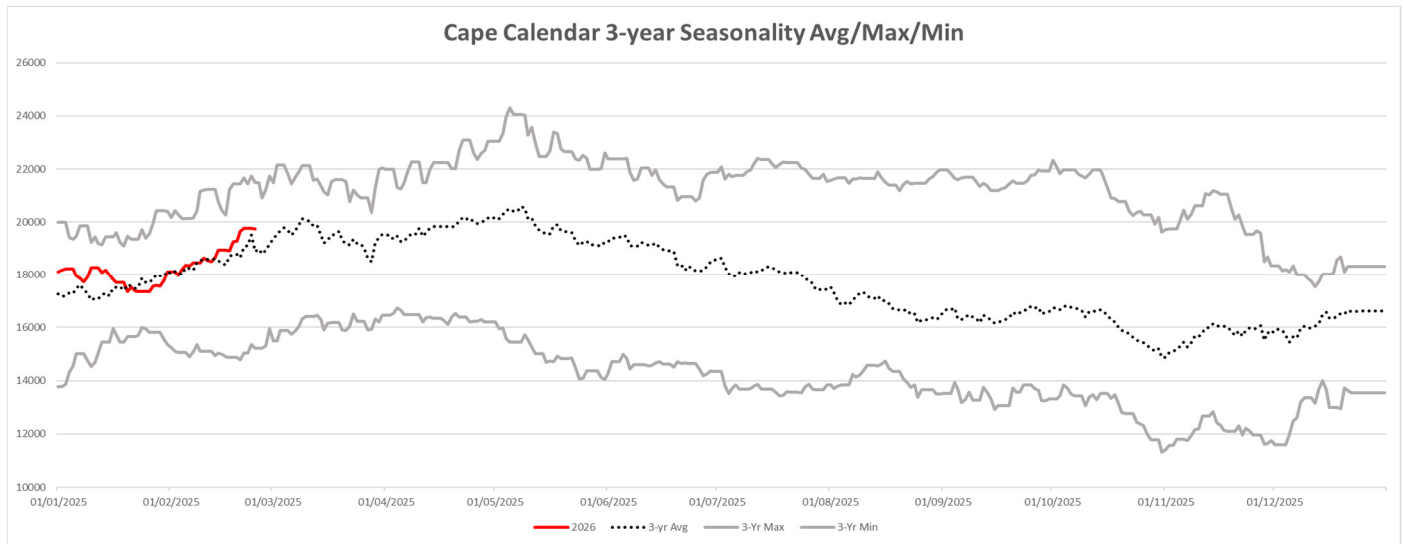


	Support	Resistance	Current Price	Bull	Bear
S1	18,831	R1	20,129	RSI above 50	Stochastic overbought
S2	18,525	R2	20,683		
S3	18,109	R3	21,625		

Source Bloomberg

## Synopsis

- Price is above the 8-21 period EMA's
- RSI is above 50 (69)
- Stochastic is overbought
- Technically bullish last week, the MA on the RSI continued to suggest that momentum was supported, whilst intraday Elliott wave analysis implied that downside moves should be considered as countertrend, making USD 17,854 the key support to follow. If broken, then the probability of the futures trading to a new high would start to decrease. Near-term oscillators were overbought and in divergence (6-period RSI, not shown), warning we are starting to look overextended to the upside in the near-term, leaving the futures vulnerable to a corrective pullback.
- The futures remained supported with price failing to produce a technical pullback. We are above the 8-21 period EMA's with the RSI above 50.
- Downside moves that hold at or above USD 18,109 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI continues to suggest that momentum is support, whilst intraday Elliott wave analysis continues to imply that downside moves should be considered as countertrend, making USD 18,109 the key support to follow. The intraday RSI remains divergence with price whilst approaching the 200-period MA (USD 19,951), we also have a resistance zone above the average highlighted on the chart. Despite the move higher last week, we maintain a note of caution on moves higher at these levels, but maintain our view that downside moves should be considered as countertrend. A close below the low of the last dominant bull candle (USD 19,600) will warn that buyside pressure is fading, implying we could enter a corrective phase.



# Capesize C5 March 25 (Rolling Front Month Heikin Ashi)



	Support	Resistance	Close Price	Bull	Bear
S1	7.50	R1	8.55	RSI above 50	Stochastic overbought
S2	6.98	R2	9.26		
S3	6.35	R3	9.81		

## 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 above the 8-21 period EMA's
- RSI is above 50 (62)
- Stochastic is overbought
- Current price USD 8.08
- Unchanged on the technical last week, we remained bullish with the MA on the RSI implying that momentum was supported. As noted Previously, due to the RSI breaking near-term resistance, we maintain our view that downside moves should be considered as countertrend, making USD 6.93 the key support to follow. If broken, then the probability of the futures trading to a new high would start to decrease. The futures were trading above the weekly pivot level (USD 7.73); if we closed above and held above it, then it would imply that buy-side pressure is increasing, leaving resistance levels vulnerable.
- We closed above the USD 7.73 level, resulting in the futures trading to a new high. Price is above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 6.98 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the upside move to a new high has resulted in the divergence failing. However, the RSI is approaching a resistance zone which will need to be monitored, as the roll into April on Friday will put price in the zone. A close below the low of the last dominant bull candle (USD 8.03) will warn that buy-side pressure is decreasing, leaving the futures vulnerable to a technical pullback.