



# Capesize Technical Report

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## Index

Having ranged between USD 15,757 – USD 15,005 for a week and a half, the index had a move to the upside late last week. We remain bullish with the index now above the 200-period MA (USD 17,405), if we hold above the average, it will warn that the USD 20,504 resistance could be tested and broken. Conversely, failure to hold above the average will bring the USD 12,051 support into focus. We have seen a slowdown in price since the end of last week, meaning focus should be on the 200-period MA, if the market turns but the average holds, it will suggest we move higher.

## July 25

The upside rejection of the USD 21,365 level previously had warned that there could be a larger bearish Elliott wave correction in play. However, we noted in the morning technicals before my vacation that we were seeing evidence of a momentum slowdown (based on price), meaning we were cautious on moves lower. Having tested but held the USD 17,125 support, the just futures have seen a move higher. The roll into July means we have rejected the 200-period MA (on the rolling front month), if we trade below USD 17,125 then the USD 16,250 fractal low could come under pressure. Technically, our view remains unchanged, we are seeing a momentum slowdown, meaning we continue to have a note of caution on downside moves at this point.

## Q3 25

Technically bearish, the futures have now traded to a new low, meaning price is in divergence with the RSI. We are rejecting the 8-period EMA; however, due to the divergence, we are cautious on moves lower at this point.

## Cal 26

Price action remains bearish; however, the new low means the futures are in divergence with the RSI, not a buy signal, it is a warning that we could see a momentum slowdown, implying caution on moves lower at these levels.

## C5 July 25

Technically we remain bearish with the MA on the RSI now flat, implying momentum is neutral. The flat averages followed by the move lower on the roll into July means the technical is vulnerable to mean reversal back to the averages (USD 8.53), or a momentum slowdown, allowing the averages to move lower. If we do continue to come under pressure, we mark USD 7.74 as an area of interest, as it is two standard deviations below the linear regression line. Due to the drop on the roll, we have a note of caution on downside moves at this point.

# Capesize Index

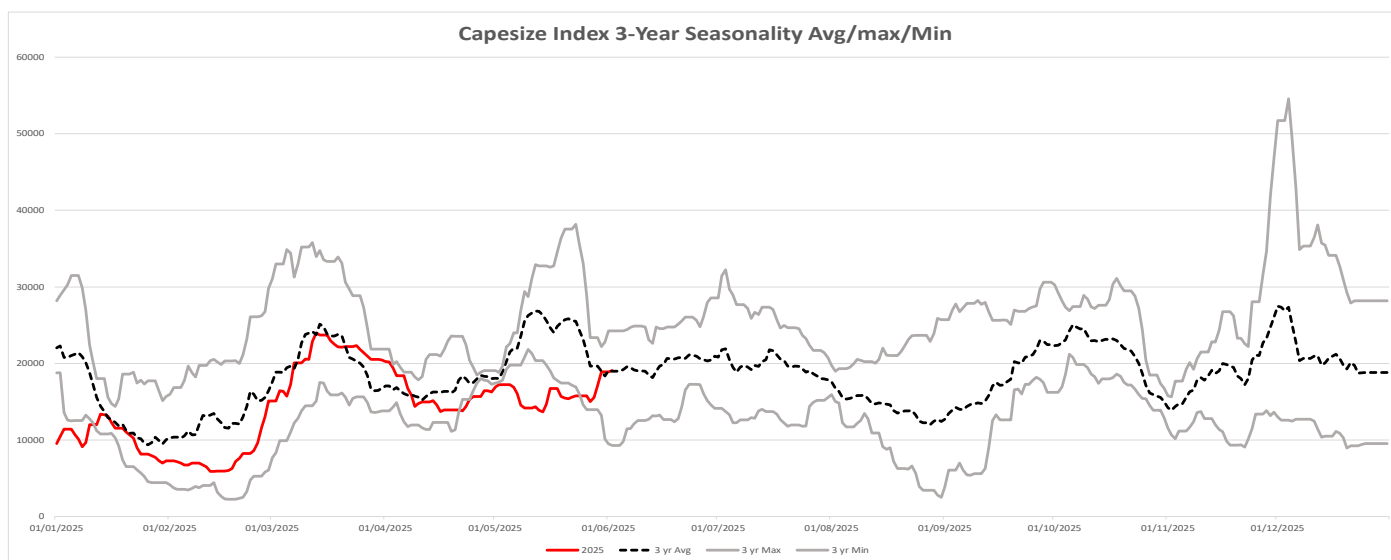


	Support		Resistance	Current Price	Bull	Bear
S1	17,405	R1	20,504	19,071	RSI above 50	Stochastic overbought
S2	15,005	R2	23,992			
S3	13,670	R3	26,617			

## Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (61)
- Stochastic is overbought
- Price is above the weekly pivot point (USD 17,591)
- Technically bullish on the last report two weeks ago, the upside move had failed to test the 200-period MA (USD 17,562), warning support levels remained vulnerable. A close above the weekly pivot level (USD 15,714) would imply that buy-side pressure is increasing; however, for upside continuation we would need to see a close above that held above the 200-period MA. A close below the MBP level would leave the USD 12,051 Fibonacci support vulnerable; if broken, then the probability of the index trading to a new high would start to decrease.
- The index ranged between USD 15,757 and USD 15,005 before breaking to the upside in the second half of last week. We are above all key moving averages supported by the RSI above 50.
- Momentum based on price is aligned to the buy-side, a close below USD 17,701 will mean it is aligned to the sell side. Downside moves that hold at or above USD 12,051 will support a bull argument, below this level the technical will have a neutral bias. Likewise, upside moves that fail at or below 20,504 will warn that there could be further downside within the technical.
- Technically bullish, the MA on the RSI implies that we have light momentum support. The index is now above the 200-period MA (USD 17,405), if we hold above the average, it will warn that the USD 20,504 resistance could be tested and broken. Conversely, failure to hold above the average will bring the USD 12,051 support into focus. We have seen a slowdown in price since the end of last week, meaning focus should be on the 200-period MA, if the market turns but the average holds, it will suggest we move higher.



# Capesize July 25 (1 Month forward)

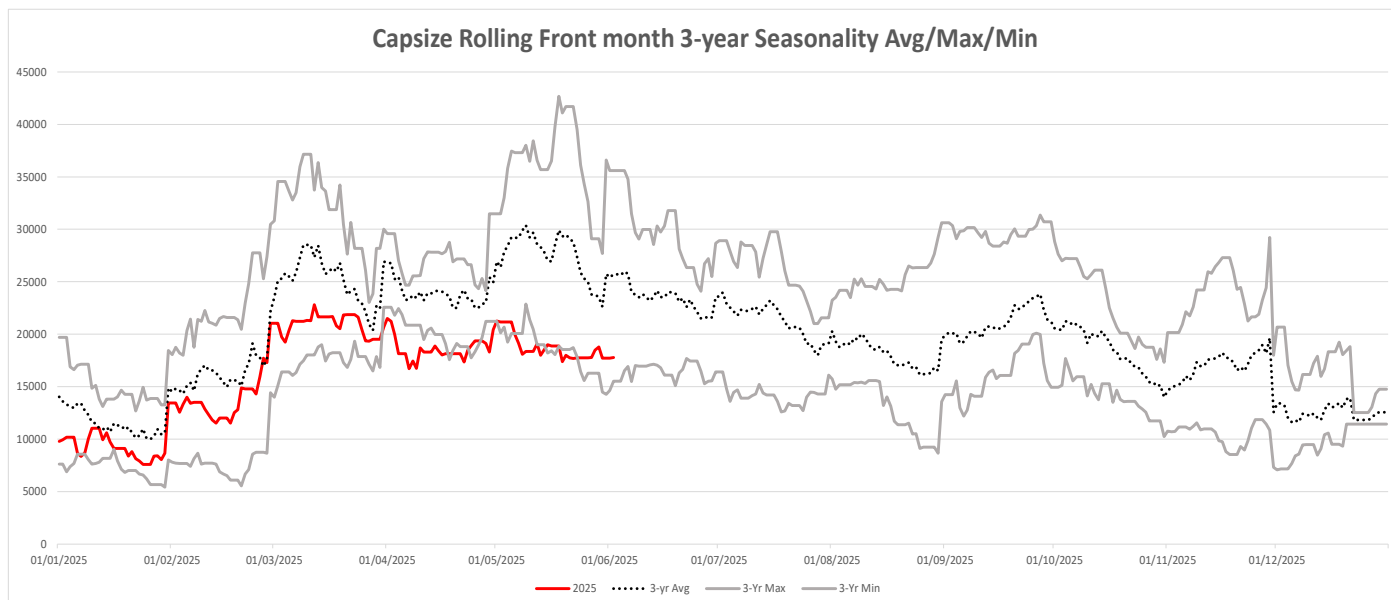


	Support	Resistance	Current Price	Bull	Bear
S1	17,125	R1	19,042		RSI below 50
S2	16,250	R2	19,625		
S3	15,684	R3	21,365		

## Synopsis

- Price is below the 8-21 period EMA's
- RSI is below 50 (47)
- Stochastic is below 50
- Bearish based on price on the last report, the longer-term Elliott wave cycle remained bullish but in a corrective phase. As noted previously, the upside rejection of the USD 21,365 resistance suggested that there was a larger, bearish corrective cycle in play, warning the USD 16,584 support could come under pressure. This was a key level on the technical; if broken, then the probability of the futures trading to a new high would start to decrease. The technical was weakening, if we closed above the weekly pivot point (USD 18,708) it would imply that buy-side pressure was increasing; however, for the USD 21,365 resistance to come under pressure we would need to close above and hold above the 200-period MA (USD 19,345).
- The futures traded to a low of USD 17,125 before finding light bid support, resulting in price testing the 200-period MA (USD 19,042); however, due to the Roll into July we remain below the average.
- Downside moves that hold at or above USD 15,684 (revised higher) will support a bull argument, below this level the technical will have a neutral bias.
- We remain bearish based on price, whilst the longer-term Elliott wave cycle remains bullish above USD 15,684 and neutral below. We highlighted in the morning technical reports that sell side momentum has started to slow, meaning we have a note of caution on lower moves; however, if we do trade below USD 17,125, then the USD 16,250 fractal support will become vulnerable. Although sell side momentum is slowing, for upside continuation, price will need to close and hold above the 200-period MA (USD 19,042), until we do, support levels will remain vulnerable.

Source Bloomberg



# Capesize Q3 25



	Support	Resistance	Current Price	Bull	Bear
S1	17,292	R1	18,741		RSI below 50
S2	16,343	R2	19,125		
S3	15,134	R3	19,645		

## Synopsis

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (39)
- Stochastic is oversold
- Technically bearish on the previous report, the MA on the RSI implied that we had light momentum weakness, whilst the downside breakout warned the USD 17,600 fractal low could be tested and broken. We maintained our view based on Elliott wave analysis that upside moves should be considered as countertrend.
- The futures traded to a high of USD 19,100 before selling below the USD 17,600 level to a low of USD 17,500. The futures have seen light bid support; however, price is in the process of rejecting the 8-period EMA. We are below all key moving averages with the RSI below 50.
- Upside moves that fail at or below USD 19,645 will leave the futures vulnerable to further tests to the downside, above this level will the technical will have neutral bias.
- Technically bearish, the MA on the RSI is starting to flatten, implying sell side momentum is slowing. We are rejecting the 8-period EMA, warning the USD 17,500 fractal low is vulnerable. However, we are in divergence with the RSI, warning sell side momentum could slow down, meaning we are cautious on moves lower at these levels, as the technical suggests that they could struggle to hold.

Cape Q3 3-Year Seasonality with Max/Min Values



# Capesize Cal 26

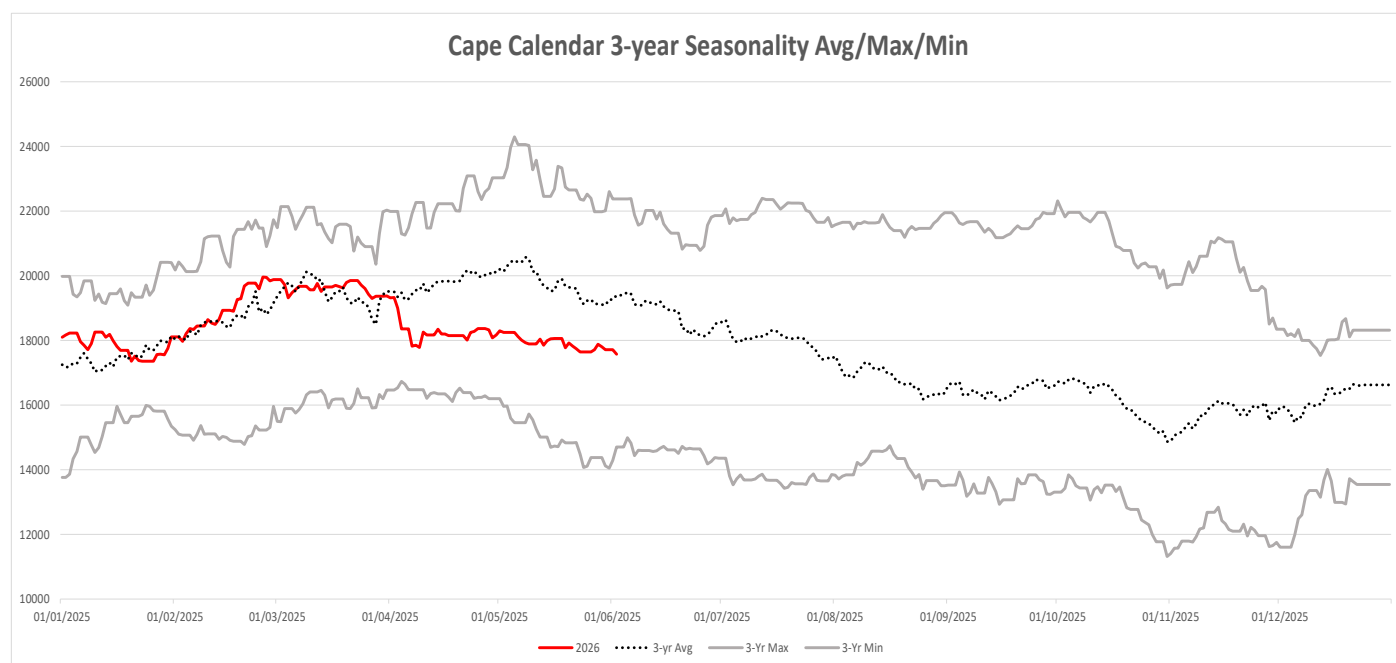


Support	Resistance	Current Price	Bull	Bear
S1	R1	17,575		RSI below 50
S2	R2			
S3	R3			

## Synopsis

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (38)
- Stochastic is below 50
- Price action was bearish on the last report, the Elliott wave cycle was bullish but with a neutral bias, upside moves were considered as countertrend. The breakout to the downside warned that the USD 17,600 fractal low could be tested and broken; however, we had a note of caution on moves below this level, as the futures would be in divergence with the RSI. Not a buy signal, it warned that we could see a momentum slowdown.
- The futures traded to a low of USD 17,475 before seeing a small move higher; however, the upside moves has failed to hold resulting in price testing their lows. We are below all key moving averages supported by the RSI below 50.
- Upside moves that fail at or below USD 19,054 will leave the futures vulnerable to further tests to the downside, above this level the technical will be back in bullish territory.
- Price action remains bearish; however, the new low means the futures are in divergence with the RSI, not a buy signal, it is a warning that we could see a momentum slowdown, implying caution on moves lower at these levels.





# Capesize C5 July 25 (Rolling Front Month Heikin Ashi Chart)



Support		Resistance		Current Price	Bull	Bear
S1	7.96	R1	8.81	8.20		RSI below 50
S2	7.74	R2	9.05			
S3	7.44	R3	9.17			

## 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 (43)
- Stochastic is above 50
- We noted on the last report that the downside move was below the previous 6 trading days, indicating technical weakness, warning the USD 8.26 fractal low could come under pressure. If broken, we would target the USD 8.04 fractal low. A close above the weekly pivot level (USD 8.63) would indicate that buy-side pressure is increasing, meaning we could see the USD 9.05 resistance be tested.
- Having traded to a low of USD 8.35 the futures did find light bid support; however, the upside move failed to hold, before moving lower on the roll into July. We are below the 8-21 period EMA's with the RSI below 50.
- Downside moves that hold at or above USD 7.44 will support a longer-term bull argument. Likewise, upside moves that fail at or below USD 9.05 will warn that there is further downside within the corrective phase.
- Technically we remain bearish with the MA on the RSI now flat, implying momentum is neutral. The flat averages followed by the move lower on the roll into July means the technical is vulnerable to mean reversal back to the averages (USD 8.53), or a momentum slowdown, allowing the averages to move lower. If we do continue to come under pressure, we mark USD 7.74 as an area of interest, as it is two standard deviations below the linear regression line. Due to the drop on the roll, we have a note of caution on downside moves at this point.