



# Capesize Technical Report

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## Index

Despite the divergence the index continued to move higher last week. The RSI is now testing resistance, meaning we continue to have a minor divergence in play, not a sell signal, it warns that we could see a momentum slowdown. A close below the MBP level will imply buy-side pressure is decreasing, whilst a close below the weekly pivot level USD 28,750 will indicate that sell-side pressure is increasing. The slowdown in price whilst the RSI is at resistance is warning that the index is starting to look vulnerable to a corrective move lower.

## July 25

Price action was neutral last week as we were trading on the 200-period MA whilst in a symmetrical triangle pattern, we have moved higher and closed above trend resistance. The upside breakout suggests the USD 21,365 breakout could come under pressure. If broken, it will support a bull argument; however, if rejected, it will warn that we could still be in the larger corrective phase. As noted in the morning technical report, after 46 days in a consolidation phase, the upside breakout is currently lacking energy, which is a concern. If we close and hold below the upper trend line (USD 19,684) it will imply market longs will need to be cautious, as price will be back inside the symmetrical pattern.

## Q3 25

Bearish last week, we were cautious on downside breakouts due to the divergence in play. The futures traded to a high of USD 19,425 before entering a corrective phase, meaning we remain in bearish territory. We are in the process of rejecting the 55-period EMA (USD 19,375). A close below the low of the last dominant bull candle (USD 18,416) will indicate that sell-side pressure is increasing, warning the USD 17,500 fractal low could be tested and broken. Failure to close below the USD 18,416 level will indicate that there is an underlying support in the market; likewise, a move above the USD 19,645 resistance will mean that probability of price trading to a new low will start to decrease. The upside rejection is warning the USD 18,416 level is vulnerable, making this the key support to follow on the technical.

## Cal 26

Bearish on the last report, we had a noted of caution on downside moves due to the divergence in play. Having seen a small move higher the MA on the RSI implies that we have light momentum support; however, the RSI is below 50 whilst the stochastic is overbought, warning we could be vulnerable to another move lower, meaning momentum indicators are conflicting. As noted previously, we remain cautious on downside breakouts below USD 17,425, as price will be divergent with the RSI. We also note that we have an inverse head and shoulders pattern on the intraday technical, indicating there is an underlying support forming in the market.

## C July 25

The futures held above the weekly pivot level last week, resulting in price moving higher. The technical is bearish; however, near-term price action is bullish due to the move above the USD 8.75 fractal resistance. The futures are around 10 cents below Friday's high at this point; if we close and hold below the linear regression line (USD 8.82) it will warn that we could close below the weekly pivot level (USD 8.74); if we do, it will indicate that sell-side pressure is increasing. Conversely, corrective moves lower that hold above weekly pivot level will support a bull argument. The upside move in price is being replicated by the RSI, warning support levels could hold if tested in the near-term.

# Capesize Index

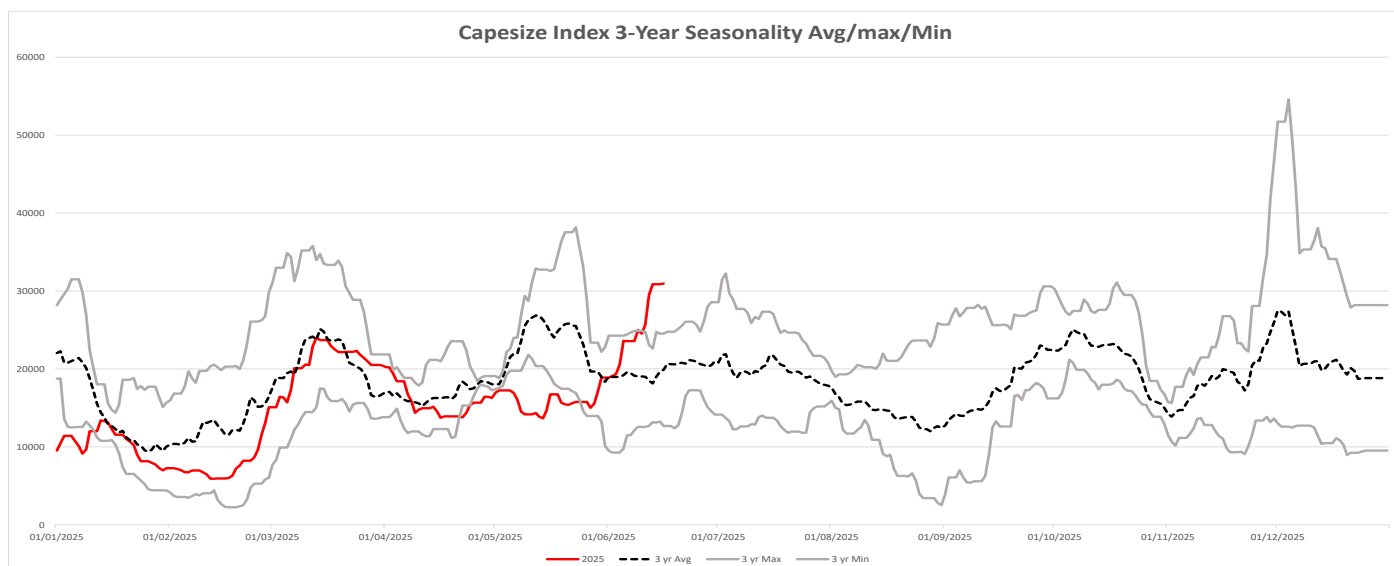


	Support	Resistance	Current Price	Bull	Bear
S1	28,750	R1	31,763	RSI above 50	Stochastic overbought
S2	24,345	R2	36,648		
S3	23,992	R3	40,809		

## Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (80)
- Stochastic is overbought
- Price is above the weekly pivot point (USD 28,750)
- Technically bullish last week, the MA on the RSI implied that momentum was supported. However, the new high in price was not being replicated by the RSI, meaning we had a negative divergence in play. Not a sell signal, it warned that we could see a momentum slowdown, which needed to be monitored. Due to the divergence we had a note of caution on moves higher at those levels.
- The index has continued to move higher; however, the upside move is now starting to slowdown. 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 29,298 will mean it is aligned to the sell side. Downside moves that hold at or above USD 19,543 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI implies that momentum is supported. The RSI is now testing resistance, meaning we continue to have a minor divergence in play, not a sell signal, it warns that we could see a momentum slowdown. A close below the MBP level will imply buy side pressure is decreasing, whilst a close below the weekly pivot level USD 28,750 will indicate that sell side pressure is increasing. The slowdown in price whilst the RSI is at resistance is warning that the index is starting to look vulnerable to a corrective move lower.



# Capesize July 25 (1 Month forward)

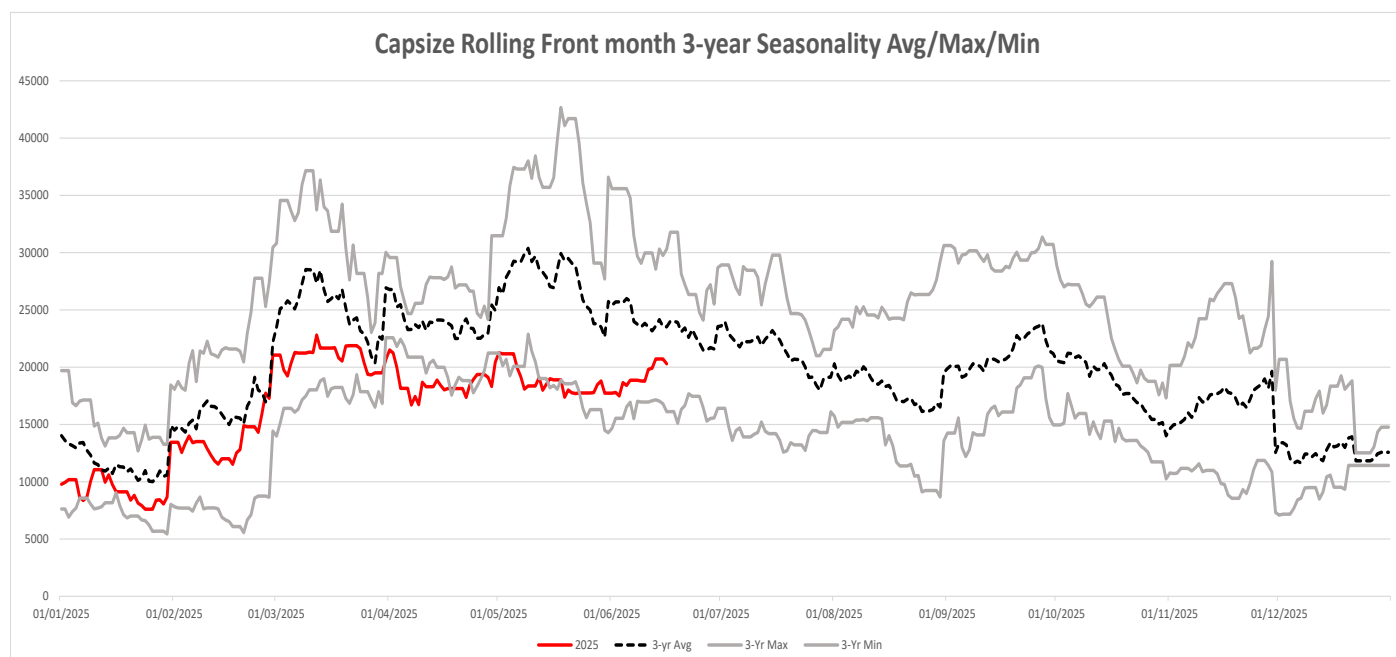


Support	Resistance	Current Price	Bull	Bear
S1	R1	20,300	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

## Synopsis

- Price is above the 8-21 period EMA's
- RSI is above 50 (56)
- Stochastic is overbought
- Technically bullish last week the futures were trading on the 200-period MA, meaning we were at an inflection point. We noted that we had formed a symmetrical triangle pattern, meaning near-term price action was neutral. Elliott wave analysis remained bullish above USD 15,684 and neutral below. In theory, directional bias should come from a close that held outside of the pattern. Neutral.
- The futures have broken the symmetrical triangle to the upside, price is above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 15,684 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the upside breakout suggests the USD 21,365 breakout could come under pressure. If broken, it will support a bull argument; however, if rejected, it will warn that we could still be in the larger corrective phase. As noted in the morning technical report, after 46 days in a consolidation phase, the upside breakout is currently lacking energy, which is a concern. If we close and hold below the upper trend line (USD 19,684) it will imply market longs will need to be cautious, as price will be back inside the symmetrical pattern.

Source Bloomberg



# Capesize Q3 25



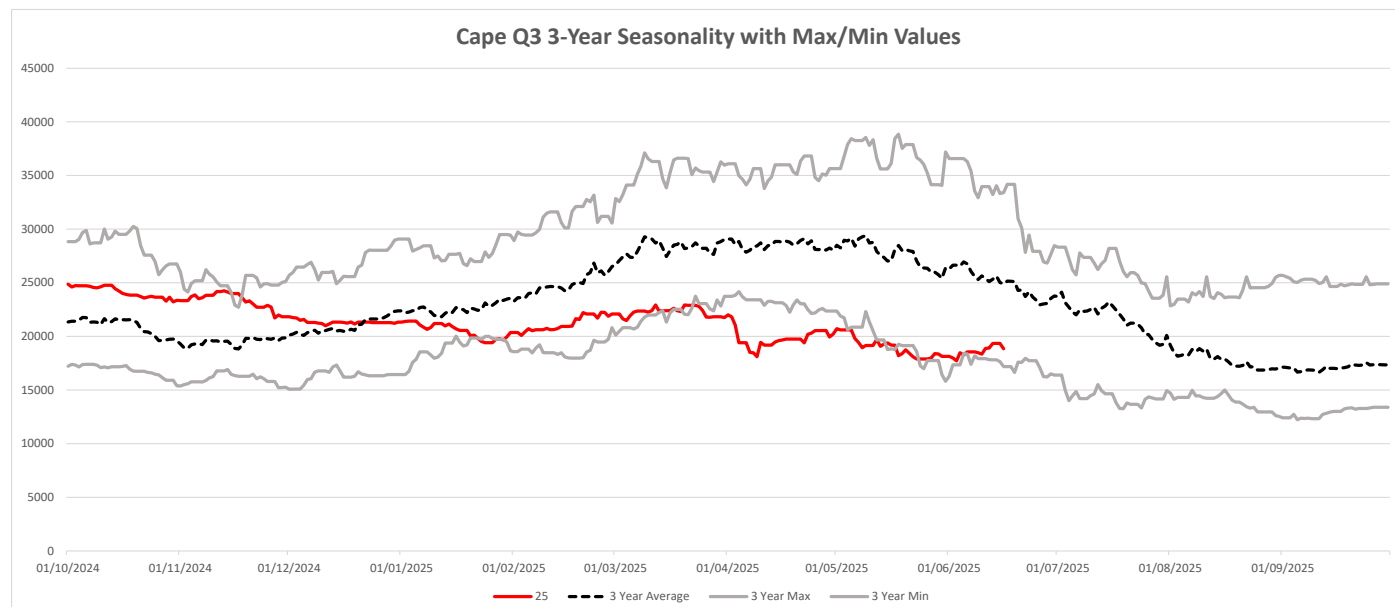
Support		Resistance		Current Price	Bull	Bear
S1	17,292	R1	19,645	18,850	Stochastic overbought	RSI below 50
S2	16,343	R2	20,054			
S3	15,134	R3	20,750			

## Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is below 50 (47)
- Stochastic is overbought
- Technically bearish last week, we noted that the 8-21 period EMA's were starting to flatten, as was the MA on the RSI, implying there was a neutral bias in the market. We continued to be cautious off downside breakouts below the USD 17,500 fractal low, as price would be in divergence with the RSI.
- The futures traded to a high of USD 19,425 before entering a corrective phase today. We are above the 8-21 period EMA's but the RSI is 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 implies that momentum is supported; however, the futures are in the process of rejecting the 55-period EMA (USD 19,375). A close below the low of the last dominant bull candle (USD 18,416) will indicate that sell side pressure is increasing, warning the USD 17,500 fractal low could be tested and broken. Failure to close below the USD 18,416 level will indicate that there is an underlying support in the market; likewise, a move above the USD 19,645 resistance will mean that probability of price trading to a new low will start to decrease. The upside rejection is warning the USD 18,416 level is vulnerable, making this the key support to follow on the technical.

## Cape Q3 3-Year Seasonality with Max/Min Values





# Capesize Cal 26

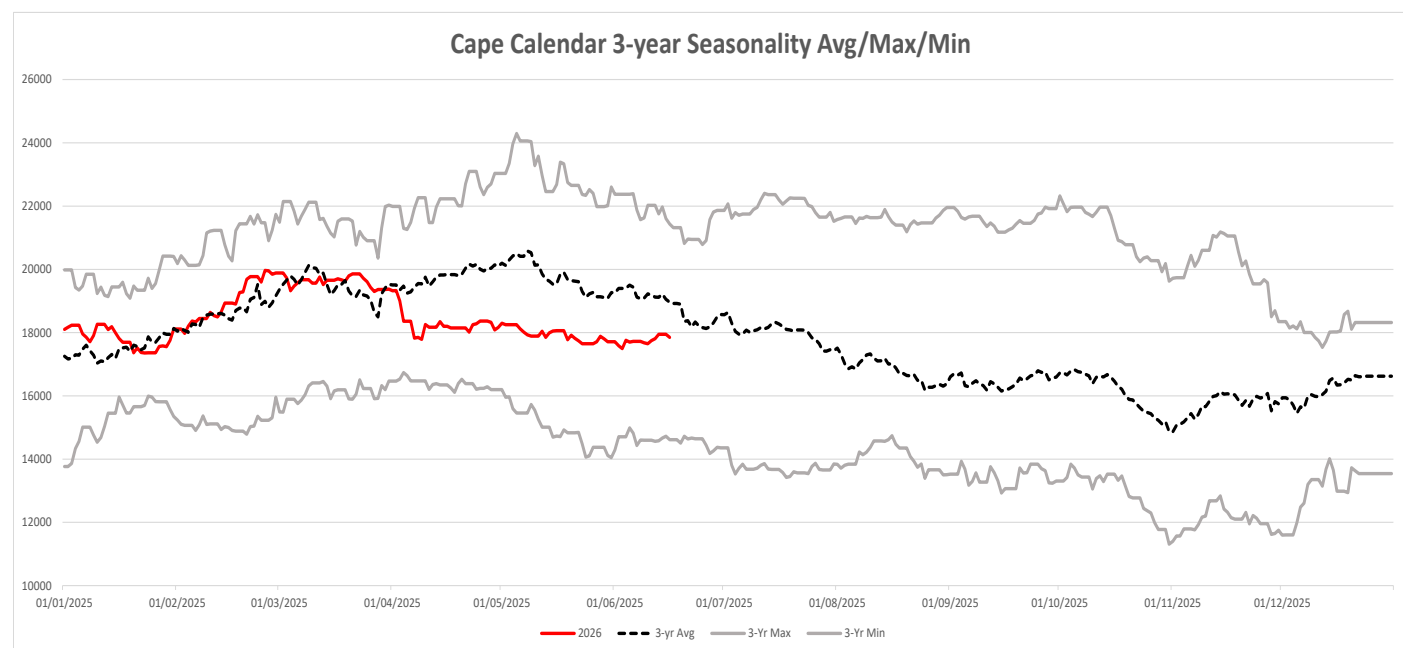


Support		Resistance		Current Price	Bull	Bear
S1	17,225	R1	18,360	17,850		RSI below 50
S2	16,791	R2	18,650			
S3	15,850	R3	19,042			

## Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is below 50 (46)
- Stochastic is overbought
- Unchanged on the technical last week. We remained bearish with the MA on the RSI implying momentum was neutral. However, we continued to be cautious on moves lower due to the divergence in play, as the technical suggested that we could struggle to hold below the USD 17,475 fractal low.
- The futures have seen a very small move higher, we are above the 8-21 period EMA's with the RSI still below 50.
- Upside moves that fail at or below USD 19,042 will leave the futures vulnerable to further tests to the downside, above this level the technical will be back in bullish territory.
- Technically bearish, the MA on the RSI implies that we have light momentum support; however, the RSI is below 50 whilst the stochastic is overbought, warning we could be vulnerable to another move lower, meaning momentum indicators are conflicting. As noted previously, we remain cautious on downside breakouts below USD 17,425, as price will be divergent with the RSI. We also note that we have an inverse head and shoulders pattern on the intraday technical, indicating there is an underlying support forming in the market.



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



Support	Resistance	Current Price	Bull	Bear
S1	R1	8.85	RSI above 50	
S2	R2			
S3	R3			

## 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 (58)
- Stochastic is above 50
- Technically bearish last week, the MA on the RSI implied that we had light momentum weakness. The futures were above the weekly pivot point (USD 8.29), if we held above this level then we have the potential to test the USD 8.81 Fibonacci resistance. Conversely, a close below USD 8.29 would indicate that sell side pressure is increasing, warning the USD 8.04 fractal low could be tested and broken. The technical needs to see more upside; at that point, support levels remained vulnerable.
- The futures held above the 8.29 level, resulting in price trading to a high of USD 8.95. We are above all key moving averages supported by the RSI above 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.
- The technical is bearish; however, near-term price action is bullish due to the move above the USD 7.75 fractal resistance. The futures are around 10 cents below Friday's high at this point; if we close and hold below the linear regression line (USD 8.82) it will warn that we could close below the weekly pivot level (USD 8.74); if we do, it will indicate that sell side pressure is increasing. Conversely, corrective moves lower that hold above weekly pivot level will support a bull argument. The upside move in price is being replicated by the RSI, warning support levels could hold if tested in the near-term.

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