



Capesize Technical Report

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Index

Technically bullish but in corrective phase, the MA on the RSI implies that momentum remains weak. However, price is above the weekly pivot level (USD 24,072) having seen a corrective 3 wave move lower, warning the USD 27,716 fractal resistance is vulnerable. If we trade above this level and the USD 28,175 Fibonacci resistance, pattern analysis (corrective waves often act in 3's) would suggest that the USD 31,756 fractal high could be tested and broken. Conversely, market bulls should be cautious on a close below the USD 24,072 level, as it will suggest the correction is becoming more complex (5-3-5 pattern). The 3-wave correction with price above the weekly pivot implies buyside pressure is increasing.

Sep

Technically bullish, the new high means we have seen a lower timeframe Elliott wave extension. We now have two negative divergences in play between price and the RSI; not a sell signal, it is a warning that we could see a momentum slowdown. Note: the previous pullback was not deep enough to be the higher timeframe corrective Elliott wave 4, meaning downside moves are still considered as countertrend. Due to the divergences, we have a note of caution on upside moves at these levels at this point.

Q4 25

Technically bullish, the new high means that we are in divergence with the RSI. Not a sell signal, it is a warning we could see a momentum slowdown, which will need to be monitored. However, the upside move on the sub 1-hour timeframe has resulted in a higher timeframe bullish wave extension, suggesting downside moves should be considered as countertrend. Key support to follow is at USD 21,824, a move below this level will mean that the probability of the futures trading to a new high will start to decrease. Due to the divergence, we now have a note of caution on upside moves at these levels.

Cal 26

Technically bullish, the new high means price remains in divergence with the RSI. Not a sell signal, it is a warning that we could see a momentum slowdown, which will need to be monitored. The corrective move to USD 20,375 did not fulfil the criteria to be the higher timeframe Elliott wave pullback that we are looking for, meaning downside moves should be considered as countertrend. Due to the divergence, we continue to have a note of caution on upside moves at these levels.

C 5 Sep

Technically bullish, the new high means that the RSI is in divergence with price, whilst the ADX has seen a pullback, suggesting buyside momentum is showing signs that it could slow down. However, countering this, the ADX at 39 does warn that there is an underlying strength in the longer-term trend, indicating that downside moves have the potential to be countertrend, making USD 8.68 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease. Like the rest of the Capesize complex, the divergence does mean we have a note of caution on upside moves at these levels.

Capesize Index

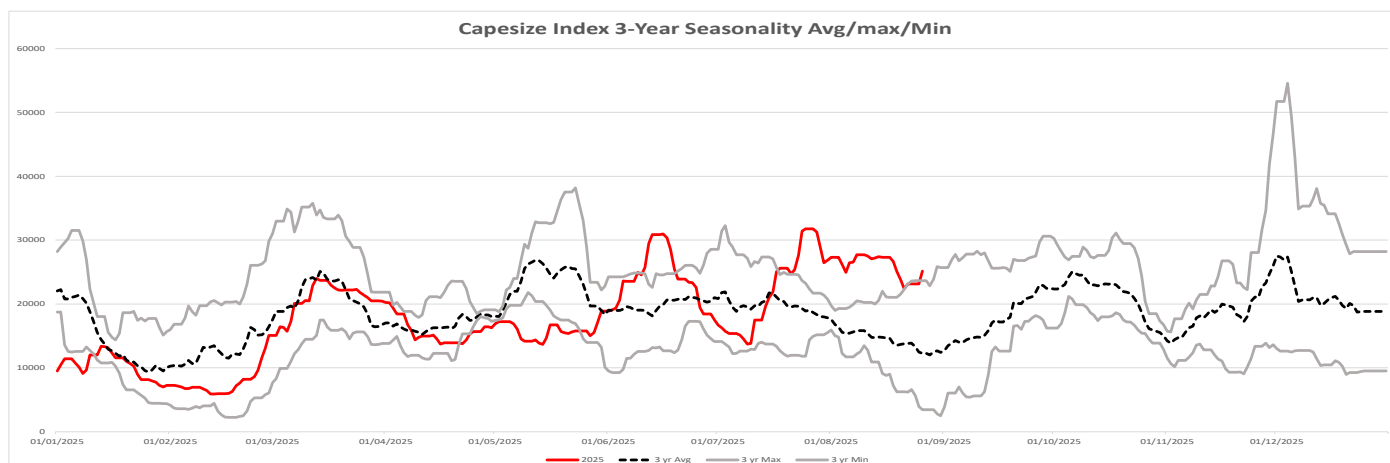


Support	Resistance	Current Price	Bull	Bear
S1	R1	25,140	RSI above 50	
S2	R2			
S3	R3			

Synopsis

Source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is above 50 (51)
- Stochastic is oversold
- Price is below the weekly pivot point (USD 24,072)
- We remained bullish but in a corrective phase last week with the MA on the RSI implying momentum was weak. As noted previously, the RSI had made a new low whilst price remained above the USD 24,720 level, meaning there remained a hidden divergence in play, warning resistance levels were still vulnerable at this point. However, price was rolling over to the sell side, warning the USD 24,720 level could be tested; if broken, then the divergence would fail, warning the USD 19,848 support could come under pressure. A close that held above the weekly pivot level (USD 27,292) would indicate buy-side pressure is increasing. USD 24,720 remains the key level on the technical.
- The index sold below the USD 24,720 level to a low of USD 22,418; however, we are now seeing bid support in the market. We are between the 8-21 period EMA's with the RSI near-neutral at 51.
- Momentum based on price is aligned to the buy-side, a close below USD 23,711 will mean it is aligned to the sell side. Downside moves below USD 19,848 will be considered as deep into the current bull wave, meaning the technical will have a neutral bias.
- Technically bullish but in corrective phase, the MA on the RSI implies that momentum remains weak. However, price is above the weekly pivot level (USD 24,072) having seen a corrective 3 wave move lower, warning the USD 27,716 fractal resistance is vulnerable. If we trade above this level and the USD 28,175 Fibonacci resistance, pattern analysis (corrective waves often act in 3's) would suggest that the USD 31,756 fractal high could be tested and broken. Conversely, market bulls should be cautious on a close below the USD 24,072 level, as it will suggest the correction is becoming more complex (5-3-5 pattern). The 3-wave correction with price above the weekly pivot implies buy-side pressure is increasing.



Capesize Sep 25 (1 Month forward)

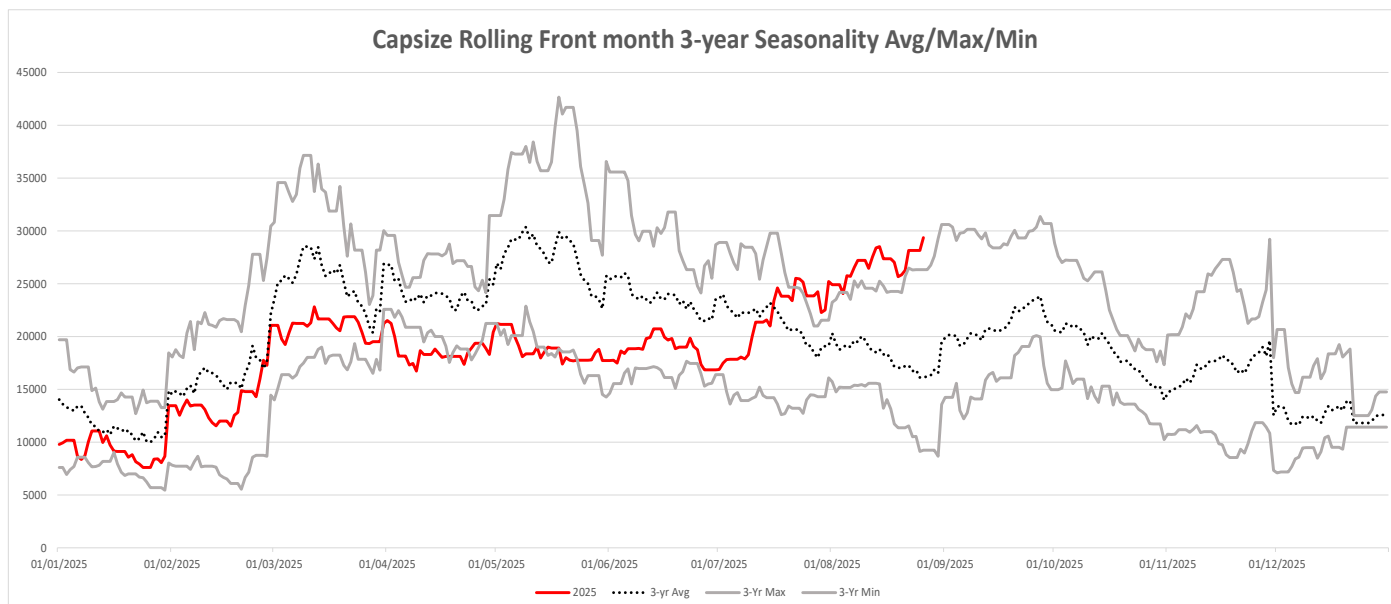


Support		Resistance		Current Price	Bull	Bear
S1	24,581	R1	29,842	28,875	RSI above 50	
S2	23,062	R2	31,950			
S3	21,002	R3	34,609			

Synopsis

- Price is above the 8-21 period EMA's
- RSI is above 50 (63)
- Stochastic is above 50
- Technically bullish but is a corrective phase last week. The futures were moving lower on a negative divergence with the RSI, warning Fibonacci support levels were vulnerable in the near-term. However, our Elliott wave analysis continued to suggest that downside moves should be considered as countertrend, making USD 20,875 the key support to follow. If broken, then the probability of the futures trading to a new high would start to decrease. Bullish, the divergence suggest caution on upside moves in the near-term.
- The futures traded to a low of USD 25,275, before trading to a new high. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 21,002 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the new high means we have seen a lower timeframe Elliott wave extension. We now have two negative divergences in play between price and the RSI; not a sell signal, it is a warning that we could see a momentum slowdown. Note: the previous pullback was not deep enough to be the higher timeframe corrective Elliott wave 4, meaning downside moves are still considered as countertrend. Due to the divergences, we have a note of caution on upside moves at these levels at this point.

Source Bloomberg



Capesize Q4 25

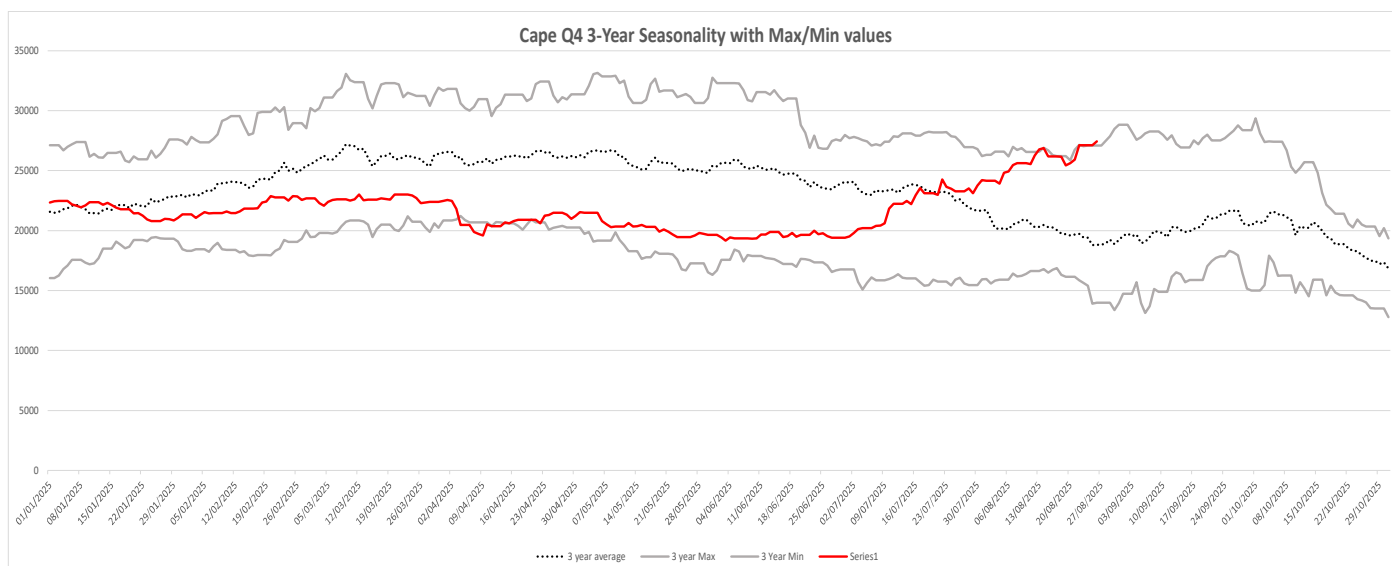


Support		Resistance		Current Price	Bull	Bear
S1	25,821	R1	28,400	27,125	RSI above 50	
S2	25,287	R2	29,851			
S3	24,563	R3	31,084			

Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (68)
- Stochastic is above 50
- Technically bullish but in a corrective phase last week, the upside move to a new high resulted in a negative divergence with the RSI, warning sell side momentum could slowdown. Sub 1-hour Elliott wave analysis did warn that downside moves had the potential to be countertrend, making USD 24,385 the key near-term support to follow. If this level held, then we had the potential for one more test to the upside; conversely, if broken, it would warn that the lower timeframe bullish Elliott wave cycle had completed.
- The futures traded to a new high on the sub 1-hour Elliott wave count. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 21,824 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the new high means that we are in divergence with the RSI. Not a sell signal, it is a warning we could see a momentum slowdown, which will need to be monitored. However, the upside move on the sub 1-hour timeframe has resulted in a higher timeframe bullish wave extension, suggesting downside moves should be considered as countertrend. Key support to follow is at USD 21,824, a move below this level will mean that the probability of the futures trading to a new high will start to decrease. Due to the divergence, we now have a note of caution on upside moves at these levels.



Capesize Cal 26

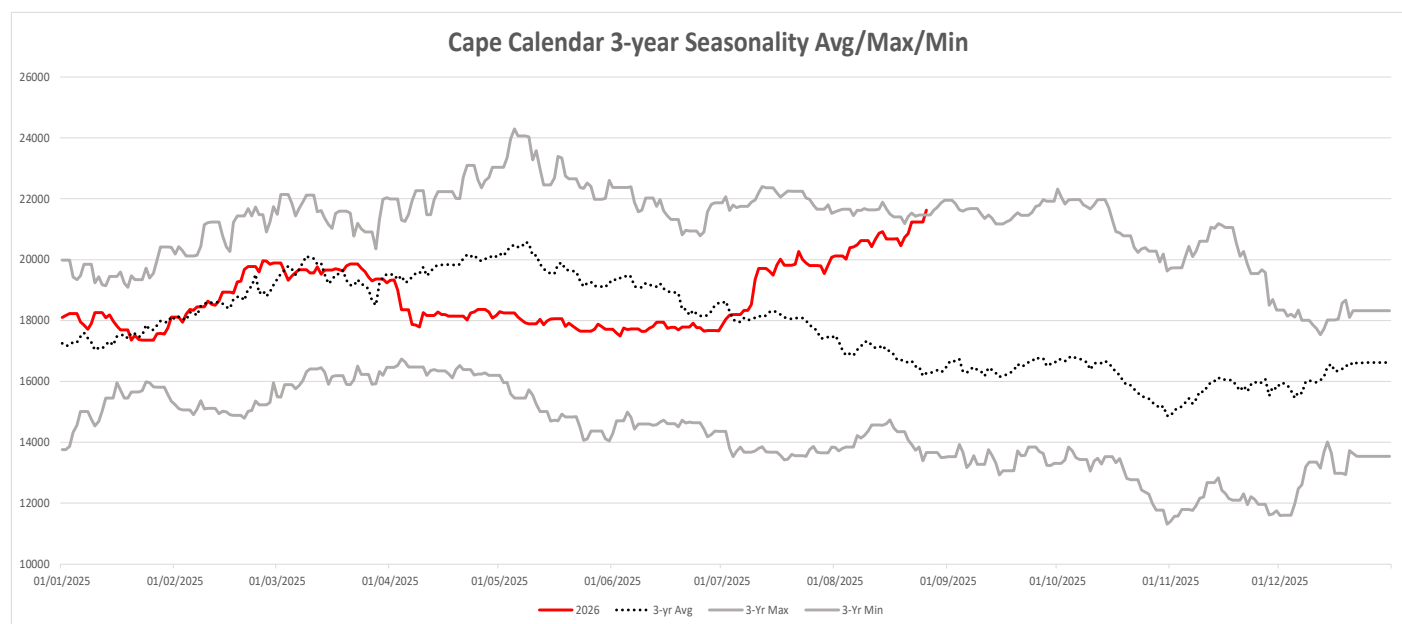


Support	Resistance	Current Price	Bull	Bear
S1	R1	21,400	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (68)
- Stochastic is overbought
- Technically bullish last week, the futures had achieved our near-term upside target with the RSI still in divergence with price, meaning we were cautious on higher moves at those levels. However, there remained a larger, bullish Elliott wave cycle in play, implying downside moves should be considered as countertrend, making USD 18,623 the key support to follow. A cautious bull, as the futures were due a corrective pullback.
- Having traded to a low of USD 20,375 the futures found bid support, resulting price trading to a high of USD 21,625. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 18,853 will support a bull argument, below this level the longer-term Elliott wave cycle will have a neutral bias.
- Technically bullish, the new high means price remains in divergence with the RSI. Not a sell signal, it is a warning that we could see a momentum slowdown, which will need to be monitored. The corrective move to USD 20,375 did not fulfil the criteria to be the higher timeframe Elliott wave pullback that we are looking for, meaning downside moves should be considered as countertrend. Due to the divergence, we continue to have a note of caution on upside moves at these levels.



Capesize C5 Sep 25 (Rolling Front Month Heikin Ashi Chart)



Support		Resistance		Current Price	Bull	Bear
S1	9.53	R1	10.87	10.70	RSI above 50	
S2	9.17	R2	11.74			
S3	8.68	R3	12.48			

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 (61)
- Stochastic is below 50
- Technically bullish last week, the futures remained in divergence with the RSI, meaning we continued to have a note of caution on higher moves at those levels. However, if the divergence failed, it would further support a buyer's argument. The ADX was at 45, implying there was still strength in the trend; as noted previously, if the ADX started to drop, it will indicate buy-side pressure was weakening, warning we could enter a corrective phase. A cautious bull due to the divergence, key support was at USD 8.56; corrective moves that held above this level would warn that there is a larger, bullish Elliott wave cycle in play.
- The futures traded to a low of USD 9.80 before trading to new highs. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 8.68 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the new high means that the RSI is in divergence with price, whilst the ADX has seen a pullback, suggesting buy-side momentum is showing signs that it could slow down. However, countering this, the ADX at 39 does warn that there is an underlying strength in the longer-term trend, indicating that downside moves have the potential to be countertrend, making USD 8.68 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease. Like the rest of the Capesize complex, the divergence does mean we have a note of caution on upside moves at these levels.

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