



Capesize Technical Report

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Index

Technically bullish, we remain in a corrective phase with the MA on the RSI implying that momentum remains weak. The futures are holding above the 55-period SMA (USD 23,807) but price is currently below the faster moving 8-21 period EMA's. We are on the weekly pivot level (USD 24,435), meaning we are in balance; a close below it will warn that the USD 22,418 fractal support could be tested and broken. If it is, then we will have a 3-3-5 corrective pattern, suggesting caution on downside moves below this level. Likewise, if we hold above the weekly pivot and trade above the USD 27,716—USD 28,715 resistance zone, then the USD 31,756 fractal high could be tested and broken. We remain cautious on corrective moves lower, as they could struggle to hold below USD 22,418.

Oct 25

Technically bullish, the MA on the RSI warns that we have light momentum weakness. Having gapped higher on the roll the futures are seeing light selling pressure, but remain above all key moving averages. As noted previously, we remain cautious on upside moves due to the two divergences in play, as they warn buyside momentum is slowing, leaving the futures vulnerable to a move lower. Elliott wave analysis continues to suggest that downside moves should be considered as countertrend, making USD 21,002 the key support to follow. If broken, then the probability of price trading to a new high will start to decrease. A close below the low of the bull support candle (USD 26,375) will indicate that sell side pressure is increasing.

Q4 25

Technically bullish, the MA on the RSI implies that we have light momentum weakness. As highlighted last week, we have a note of caution on upside moves at these levels, due to the divergence in play. Downside moves below USD 25,250 will indicate that we are exiting the higher timeframe Elliott wave 3, and entering a corrective wave 4. We maintain our view that downside moves should be considered as countertrend; if we do trade below USD 22,039, then the probability of the futures trading to a new high will start to decrease. A cautious bull, support levels are looking vulnerable.

Cal 26

Unchanged on the technical this week, we remain bullish but cautious on upside moves at these levels due to the divergence in play. Downside moves below USD 20,800 will indicate that buyside momentum is weakening, whilst below USD 20,375 will warn that price is entering a higher timeframe corrective phase. Based on the lower timeframe Elliott wave extension previously, we maintain our view that downside moves should be considered as countertrend.

C5 Oct 25

Unchanged on the technical this week, the futures are moving lower on the RSI divergence, warning the USD 9.80 fractal resistance could be tested and broken. If it is, then the Fibonacci support zone could come under pressure. However, as highlighted last week, the ADX at 44 implies that there is an underlying strength in the market, meaning downside moves have the potential to be countertrend. If we do trade below the USD 8.68 level, then the probability of the futures trading to a new high will start to decrease.

Capesize Index

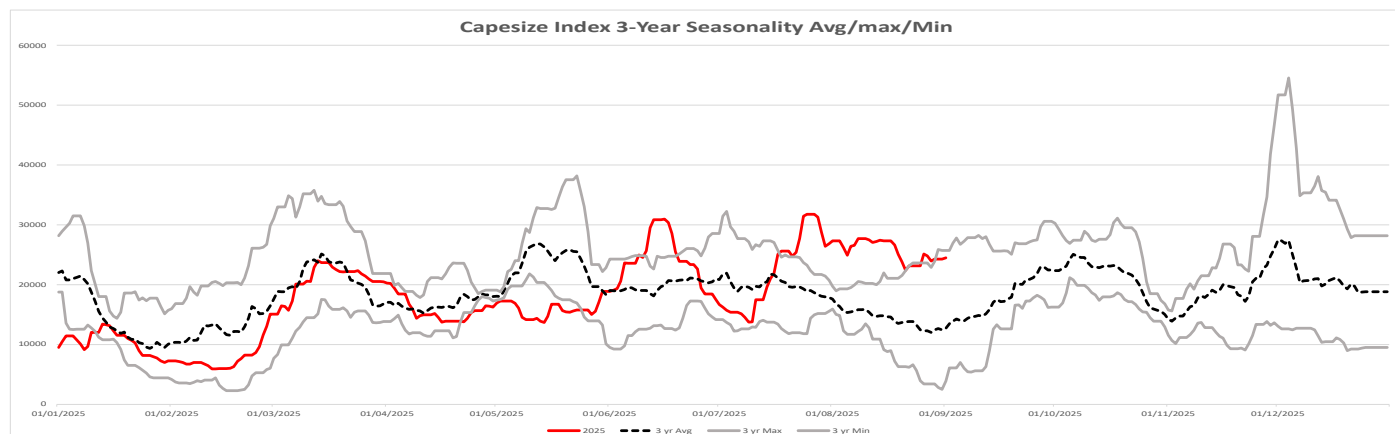


Support	Resistance	Current Price	Bull	Bear
S1	R1	24,445		RSI below 50
S2	R2			
S3	R3			

Synopsis

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (49)
- Stochastic is below 50
- Price is on/above the weekly pivot point (USD 24,435)
- Technically bullish but in corrective phase last week, the MA on the RSI implied that momentum remained weak. However, price was above the weekly pivot level (USD 24,072) having seen a corrective 3 wave move lower, warning the USD 27,716 fractal resistance was vulnerable. If we traded above this level and the USD 28,175 Fibonacci resistance, pattern analysis (corrective waves often act in 3's) suggested 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 would suggest the correction is becoming more complex (5-3-5 pattern). The 3- wave correction with price above the weekly pivot implied buyside pressure was increasing.
- The index had a small move lower before finding light bid support, we are below the 8-21 period EMA's supported by the RSI below 50.
- Momentum based on price is aligned to the buyside, a close below USD 24,435 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, we remain in a corrective phase with the MA on the RSI implying that momentum remains weak. The futures are holding above the 55-period SMA (USD 23,807) but price is currently below the faster moving 8-21 period EMA's. We are on the weekly pivot level (USD 24,435), meaning we are in balance; a close below it will warn that the USD 22,418 fractal support could be tested and broken. If it is, then we will have a 3-3-5 corrective pattern, suggesting caution on downside moves below this level. Likewise, if we hold above the weekly pivot and trade above the USD 27,716—USD 28,715 resistance zone, then the USD 31,756 fractal high could be tested and broken. We remain cautious on corrective moves lower, as they could struggle to hold below USD 22,418.



Capesize Oct 25 (1 Month forward)

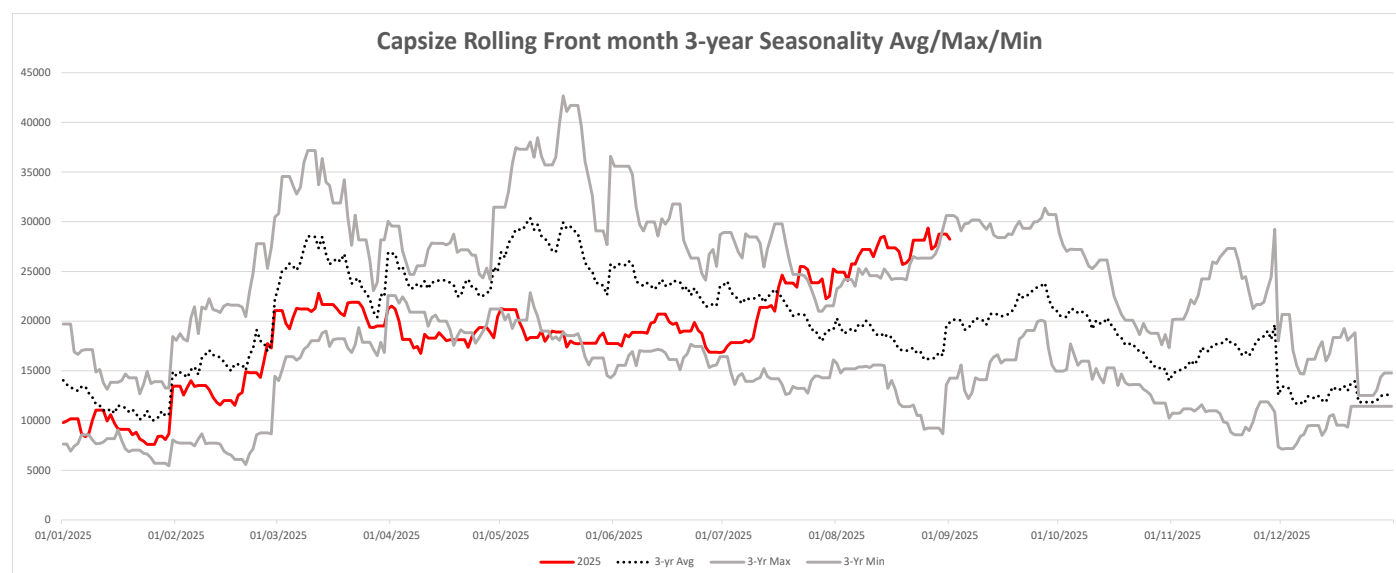


Support		Resistance		Current Price	Bull	Bear
S1	24,581	R1	29,842	28,250	RSI above 50	
S2	23,062	R2	31,950			
S3	21,002	R3	34,609			

Synopsis

- Price is above the 8-21 period EMA's
- RSI is above 50 (59)
- Stochastic is above 50
- Technically bullish last week, the new high meant that we had seen a lower timeframe Elliott wave extension. We noted that we had two negative divergences in play between price and the RSI; not a sell signal, it warned that we could see a momentum slowdown. We also highlighted that the previous pullback had not deep enough to be the higher timeframe corrective Elliott wave 4, meaning downside moves were still considered as countertrend. Due to the divergences, we had a note of caution on upside moves at those levels at that point.
- The futures traded to a low of USD 26,375, before finding light bid support, we subsequently moved higher on the roll into October. 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 MA on the RSI warns that we have light momentum weakness. Having gapped higher on the roll the futures are seeing light selling pressure, but remain above all key moving averages. As noted previously, we remain cautious on upside moves due to the two divergences in play, as they warn buyside momentum is slowing, leaving the futures vulnerable to a move lower. Elliott wave analysis continues to suggest that downside moves should be considered as countertrend, making USD 21,002 the key support to follow. If broken, then the probability of price trading to a new high will start to decrease. A close below the low of the bull support candle (USD 26,375) will indicate that sell side pressure is increasing.

Source Bloomberg



Capesize Q4 25

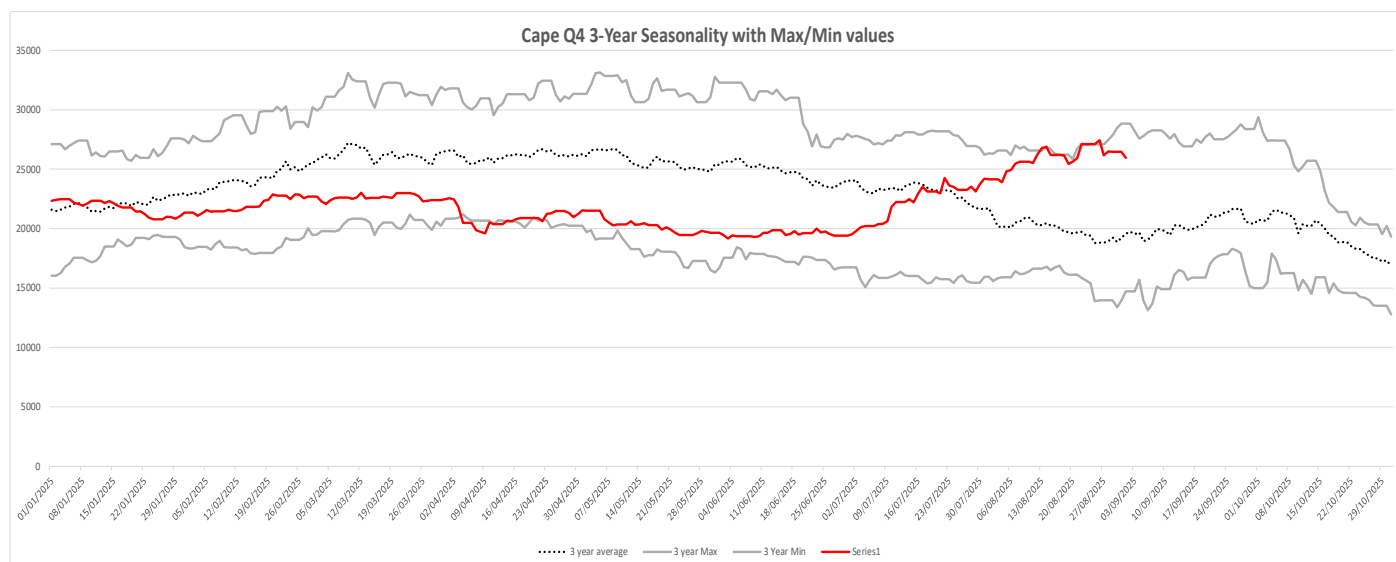


Support		Resistance		Current Price	Bull	Bear
S1	25,250	R1	27,550	25,908.5	RSI above 50	
S2	24,360	R2	28,239			
S3	23,375	R3	29,162			

Synopsis

Source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is above 50 (58)
- Stochastic is above/at 50
- Technically bullish last week, the new high meant that we were in divergence with the RSI. Not a sell signal, it warned that we could see a momentum slowdown, which needed to be monitored. However, the upside move on the sub 1-hour timeframe had resulted in a higher timeframe bullish wave extension, suggesting downside moves should be considered as counter-trend. Key support to follow was at USD 21,824, a move below this level would mean that the probability of the futures trading to a new high would start to decrease. Due to the divergence, we had a note of caution on upside moves at these levels.
- The futures traded to a low of USD 25,425 before finding light bid support. We are between the 8-21 period EMA's supported by the RSI above 50.
- Downside moves that hold at or above USD 22,039 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI implies that we have light momentum weakness. As highlighted last week, we have a note of caution on upside moves at these levels, due to the divergence in play. Downside moves below USD 25,250 will indicate that we are exiting the higher timeframe Elliott wave 3, and entering a corrective wave 4. We maintain our view that downside moves should be considered as countertrend; if we do trade below USD 22,039, then the probability of the futures trading to a new high will start to decrease. A cautious bull, support levels are looking vulnerable.



Capesize Cal 26

Track Annotate News Zoom Reset



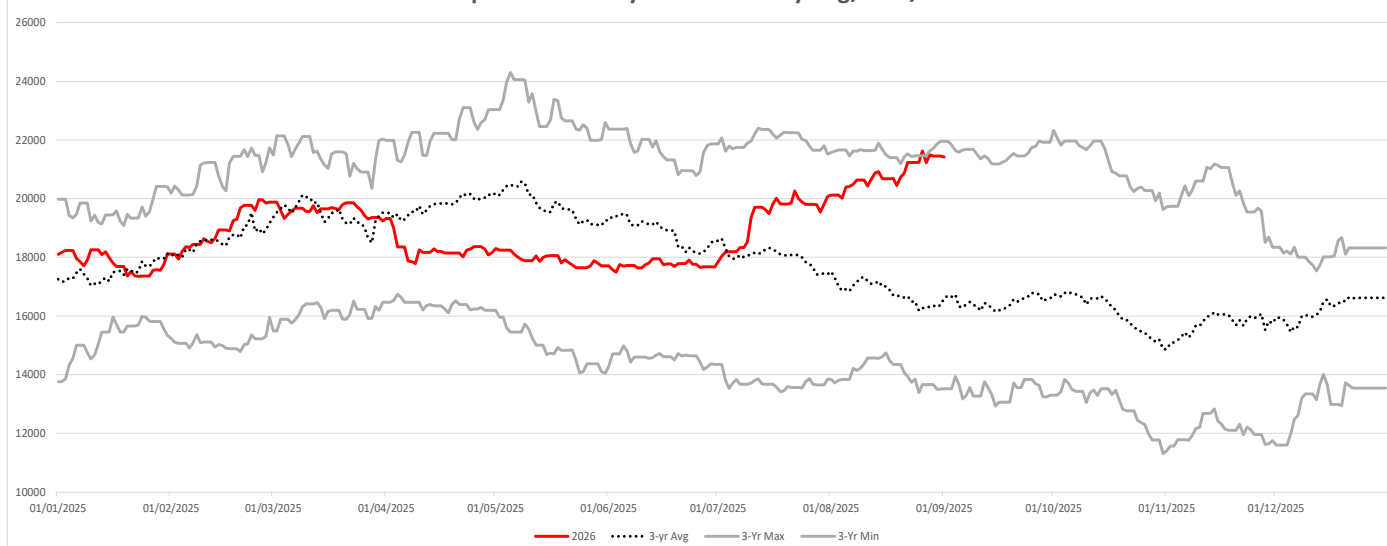
Support		Resistance		Current Price	Bull	Bear
S1	20,851	R1	21,800	21,450	RSI above 50	Stochastic overbought
S2	20,612	R2	22,454			
S3	20,375	R3	23,012			

Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (66)
- Stochastic is overbought
- Technically bullish last week, the new high meant that price remained in divergence with the RSI. Not a sell signal, it warned that we could see a momentum slowdown, which needed to be monitored. The corrective move previously to a low of USD 20,375 did not fulfil the criteria to be the higher timeframe Elliott wave pullback that we are looking for, meaning downside moves were still considered as countertrend. Due to the divergence, we continued to have a note of caution on upside moves at those levels.
- After a small pullback the futures have tested but have failed to break above the USD 21,625 fractal high. 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.
- Unchanged on the technical this week, we remain bullish but cautious on upside moves at these levels due to the divergence in play. Downside moves below USD 20,800 will indicate that buy-side momentum is weakening, whilst below USD 20,375 will warn that price is entering a higher timeframe corrective phase. Based on the lower timeframe Elliott wave extension previously, we maintain our view that downside moves should be considered as countertrend.

Cape Calendar 3-year Seasonality Avg/Max/Min



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



Support		Resistance		Current Price	Bull	Bear
S1	9.80	R1	10.47	10.25	RSI above 50	
S2	9.54	R2	10.72			
S3	9.18	R3	10.87			

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 above 50 (60)
- Stochastic is above 50
- Technically bullish last week, the new high meant that the RSI was in divergence with price, whilst the ADX had seen a pullback, suggesting buy-side momentum was showing signs that it could slow down. However, countering this, the ADX at 39 did warn that there is an underlying strength in the longer-term trend, indicating that downside moves had the potential to be counter-trend, making USD 8.68 the key support to follow. If broken, then the probability of the futures trading to a new high would start to decrease. Like the rest of the Capesize complex, the divergence meant that we had a note of caution on upside moves at those levels.
- The futures have entered into a corrective phase with price rolling into October. We are below the 8-21 period EMA's with 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.
- Unchanged on the technical this week, the futures are moving lower on the RSI divergence, warning the USD 9.80 fractal resistance could be tested and broken. If it is, then the Fibonacci support zone could come under pressure. However, as highlighted last week, the ADX at 44 implies that there is an underlying strength in the market, meaning downside moves have the potential to be countertrend. If we do trade below the USD 8.68 level, then the probability of the futures trading to a new high will start to decrease.

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