



Capesize Technical Report

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Index

Technically bearish, the MA on the RSI implies that we have light momentum weakness. The index rejected the weekly pivot level last week; however, price is on/above this weeks pivot level (USD 23,935). A close below it will warn that the USD 22,562 fractal low could be tested and broken. As highlighted last week, below this level the index will potentially be in divergence with the RSI. If it is, then market sellers will need to be cautious on breakouts below this level, as we have the potential to see a momentum slowdown. Near-term support remains vulnerable, the potential divergence indicates that downside breakouts could struggle to hold.

Dec 25

Technically bearish, the MA on the RSI implies that momentum remains weak. The futures have rejected the Fibonacci resistance zone, warning the USD 23,300 fractal support is now vulnerable. However, below this level will create a second positive divergence with the RSI. Not a buy signal, it is a warning that we could see a momentum slowdown, meaning we are cautious on downside breakouts below this level. Support is vulnerable, the divergence below USD 23,300 warns that bearish breakouts could struggle to hold.

Q1 26

We remain bullish but in a corrective phase with the MA on the RSI implying momentum is weak. Upside moves above the USD 17,825 fractal resistance will imply that buy-side pressure is increasing, warning the USD 18,500 fractal high could come under pressure. Conversely, we continue to be cautious around the USD 16,115 area, as the intraday futures will potentially be in divergence with the RSI. A new low will also create a 5-wave pattern lower, indicating the corrective phase is becoming more complex, meaning upside moves have the potential to be countertrend. This, however, could attract short-term buying interest.

Cal 26

Bullish but in a corrective phase, the MA on the RSI implies that momentum is weak at this point. The rejection of the channel resistance line (USD 22,923) is warning that the 22,125 fractal low could be tested and broken. We currently have a 3-wave pattern lower, if it becomes 5, it will warn that the corrective phase is becoming more complex, suggesting upside moves have the potential to be countertrend. Conversely, upside moves above USD 23,075 will imply buy-side pressure is increasing, leaving the USD 23,600 fractal resistance vulnerable. Momentum, suggests support levels are vulnerable in the near-term; however, we are cautious on downside breakouts, as the 5-wave pattern could attract short-term buying interest.

C5 Dec 25

Bearish with a neutral bias, the MA on the RSI implies that momentum remains weak, implying the USD 9.37 fractal low remains vulnerable in the near-term. However, below this level price will be in divergence with the RSI, not a buy signal, it is a warning that we could see a momentum slowdown. A close that holds above the linear regression line (USD 10.32) will imply that buy-side pressure is increasing, meaning the USD 10.64 resistance could be tested. If broken, the technical will be back in bullish territory; conversely, if rejected, it will warn that the corrective phase is becoming more complex, indicating support levels could come back under pressure. Momentum suggests that the USD 9.37 fractal low is vulnerable, the divergence warns that downside breakouts could struggle to hold.

Capesize Index

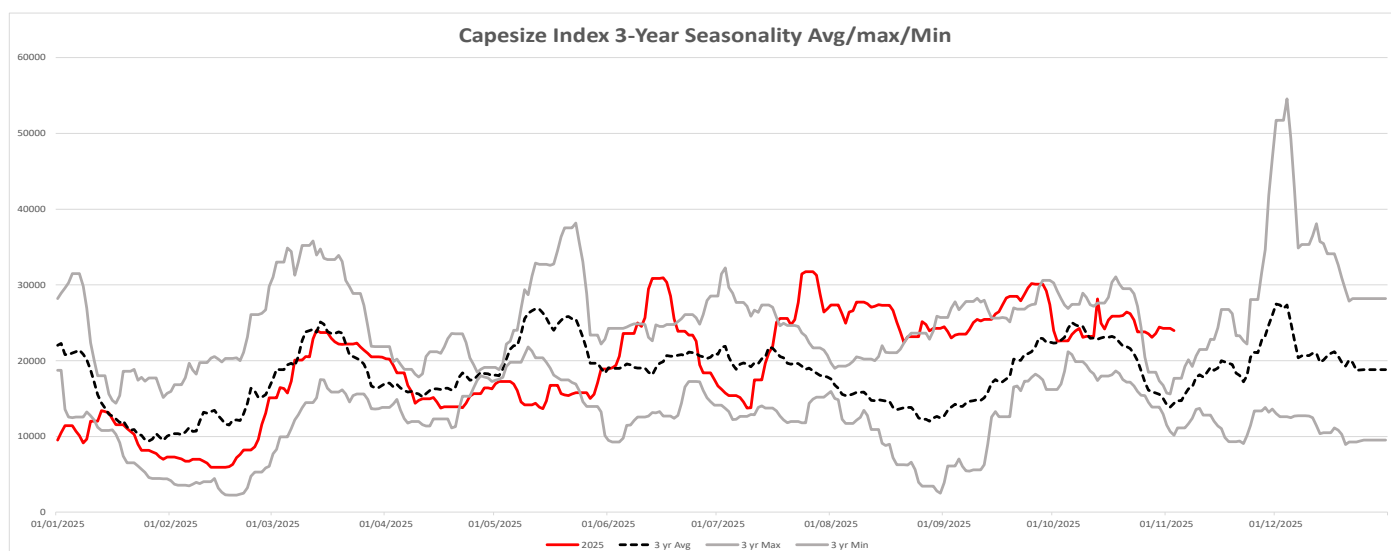


	Support	Resistance	Current Price	Bull	Bear
S1	22,735	R1	26,404	Stochastic oversold	RSI below 50
S2	22,562	R2	28,098		
S3	19,848	R3	28,132		

Synopsis

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (46)
- Stochastic is oversold
- Price is above the weekly pivot point (USD 23,935)
- Technically bearish last week, the failed swing high previously warned that the USD 22,562 fractal low could be tested and broken. However, below this level there was the potential for a positive divergence with the RSI, meaning we had a note of caution on downside breakouts below this level incase a divergence came into play. Market sellers needed to be cautious on a close above the USD 24,675 level, as it would warn that sell side pressure is slowing.
- The index traded to a high of USD 24,428 before seeing a small move lower. We are below the 8-21 period EMA's supported by the RSI below 50.
- Momentum based on price is aligned to the sell side, a close above USD 24,123 will mean it is aligned to the buy side. Downside moves that hold at or above USD 19,848 will support a longer-term bull argument.
- Technically bearish, the MA on the RSI implies that we have light momentum weakness. The index rejected the weekly pivot level last week; however, price is on/above this weeks pivot level (USD 23,935). A close below it will warn that the USD 22,562 fractal low could be tested and broken. As highlighted last week, below this level the index will potentially be in divergence with the RSI. If it is, then market sellers will need to be cautious on breakouts below this level, as we have the potential to see a momentum slowdown. Near-term support remains vulnerable, the potential divergence indicates that downside breakouts could struggle to hold.



Capesize Dec 25 (1 Month forward)

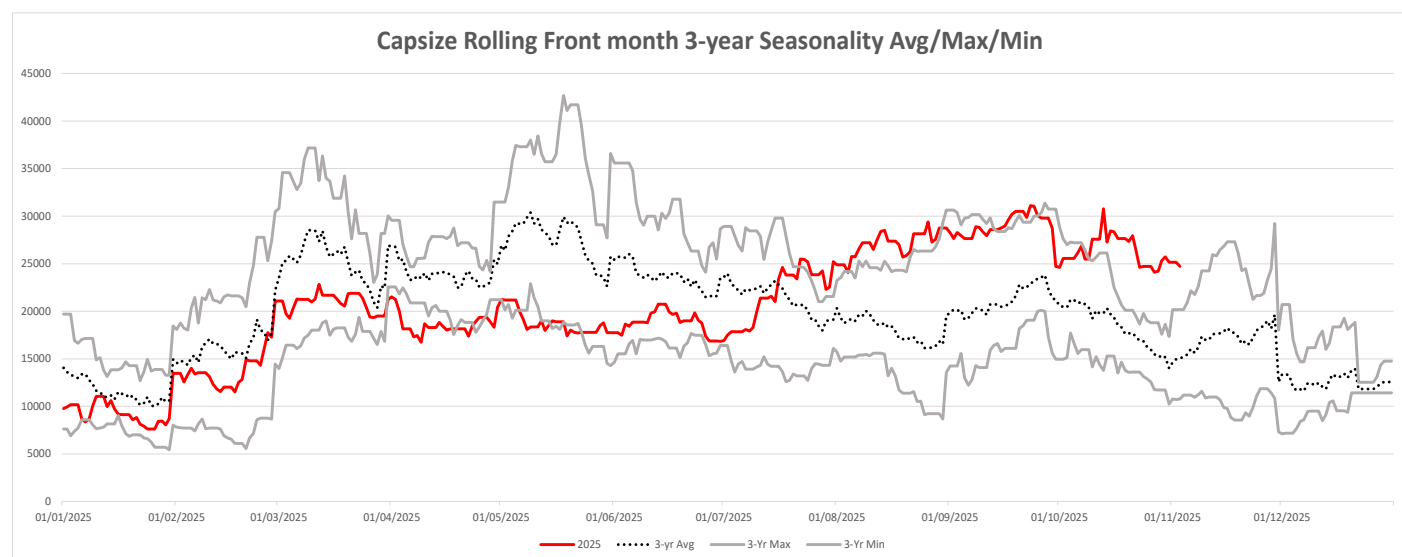


Support	Resistance	Current Price	Bull	Bear
S1	R1	24,575	RSI below 50	
S2	R2			
S3	R3			

Synopsis

- Price is below the 8-21 period EMA's
- RSI is below 50 (44)
- Stochastic is below 50
- Technically bearish last week, the new low meant that the futures were in divergence with the RSI. Not a buy signal, it warned that we could see a momentum slowdown, which needed to be monitored. The big question we asked, had we seen a failed wave 5, or was the upside move to USD 31,000 a big wave B? We noted that it was a difficult one to call; however, we had a 3-wave pattern lower with price in divergence with the RSI on the daily and intraday timeframes, meaning we were cautious on downside moves at those levels. Upside moves that rejected the USD 28,742 resistance would warn that there could be a larger corrective phase in play. Market sellers needed to be cautious above this level, as it would suggest that the move to USD 31,000 was a B, and not a failed wave 5. we were a cautious bear.
- The futures traded to a high of USD 25,875 before selling lower on an intraday rejection candle and weakening momentum. We are below the 8-21 period EMA's supported by the RSI below 50.
- Downside moves that hold at or above USD 21,597 will support a longer-term bull argument, below this level the higher timeframe Elliott wave cycle will have a neutral bias. Likewise, upside moves that fail at or below USD 28,547 will warn that there is a larger corrective Elliott wave cycle in play.
- Technically bearish, the MA on the RSI implies that momentum remains weak. The futures have rejected the Fibonacci resistance zone, warning the USD 23,300 fractal support is now vulnerable. However, below this level will create a second positive divergence with the RSI. Not a buy signal, it is a warning that we could see a momentum slowdown, meaning we are cautious on downside breakouts below this level. Support is vulnerable, the divergence below USD 23,300 warns that bearish breakouts could struggle to hold.

Source Bloomberg



Capesize Q1 26

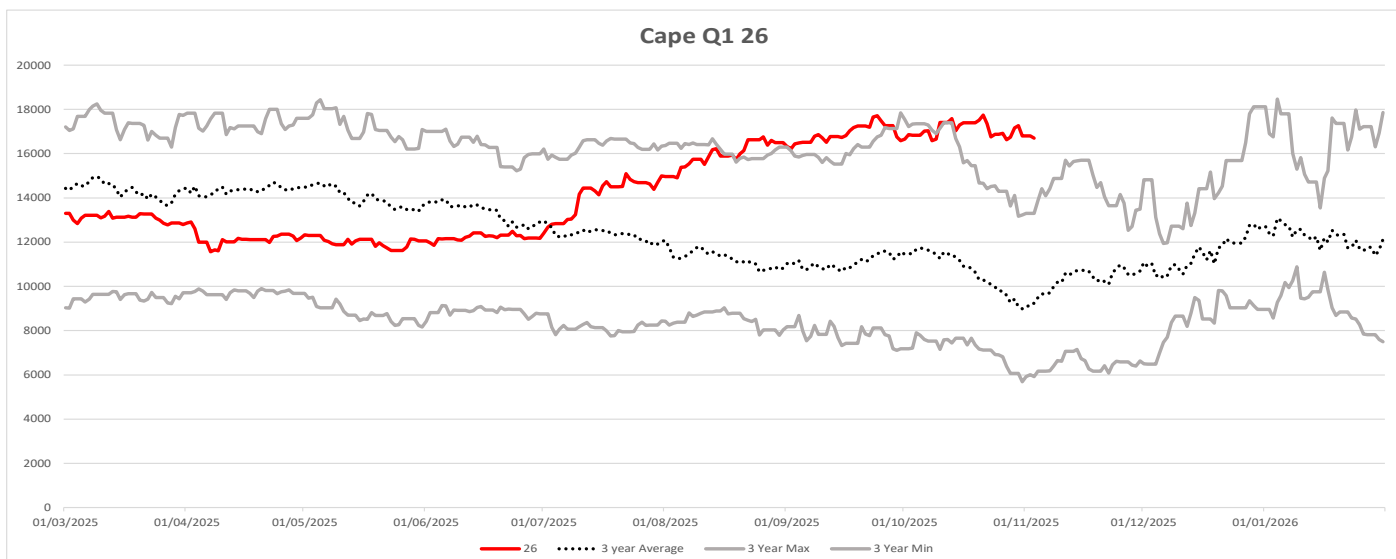


Support	Resistance	Current Price	Bull	Bear
S1	R1	16,700	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (48)
- Stochastic is oversold
- Technically bullish with a neutral bias last week, the MA on the RSI implied that we had light momentum weakness. A close below 55-period EMA (USD 16,509) would target the USD 16,115 support. We marked this as an area of interest, as we had a 3-wave pattern lower with a 100% Fibonacci projection at USD 16,115, meaning we could see buy-side support around this area. Upside moves above the USD 17,825 fractal resistance would indicate buy-side pressure was increasing, warning the USD 18,500 fractal high could be tested and broken.
- The futures sold to a low of USD 16,250 before finding buy-side support to trade to a high of USD 17,150. Price is again coming under pressure with the futures trading below the 8-21 period EMA's with the RSI below 50.
- Downside moves that hold at or above USD 13,995 will support a bull argument, below this level the Elliott wave cycle will have a neutral bias.
- We remain bullish but in a corrective phase with the MA on the RSI implying momentum is weak. Upside moves above the USD 17,825 fractal resistance will imply that buy-side pressure is increasing, warning the USD 18,500 fractal high could come under pressure. Conversely, we continue to be cautious around the USD 16,115 area, as the intraday futures will potentially be in divergence with the RSI. A new low will also create a 5-wave pattern lower, indicating the corrective phase is becoming more complex, meaning upside moves have the potential to be countertrend. This, however, could attract short-term buying interest.



Capesize Cal 26

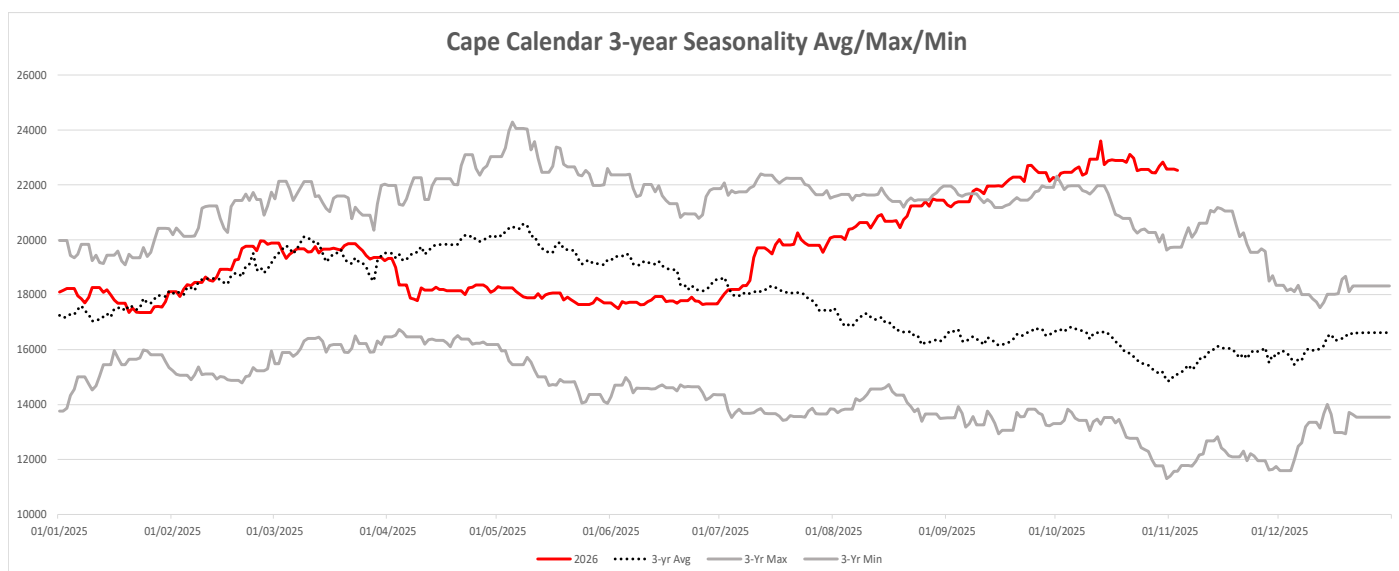


Support		Resistance		Current Price	Bull	Bear
S1	22,125	R1	22,923	22,525	RSI above 50	
S2	21,751	R2	23,075			
S3	21,241	R3	23,600			

Synopsis

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is above 50 (53)
- Stochastic is above 50
- Bullish but in a corrective phase last week, the MA on the RSI implied that momentum remained weak at that point. A close that held above the rising channel resistance (USD 22,647) would imply buy-side support was entering the market, leaving the USD 23,075 resistance vulnerable. Conversely, if rejected it would indicate that there was further downside within the corrective phase. Whilst below the channel resistance we are cautious on upside moves.
- The futures traded to a high of USD 22,875 but rejected the channel resistance line, resulting in a small move lower. We are below the 8-21 period EMA's with the RSI still above 50.
- Downside moves that hold at or above USD 19,524 will support a longer-term bull argument, below this level the longer-term Elliott wave cycle will have a neutral bias.
- Bullish but in a corrective phase, the MA on the RSI implies that momentum is weak at this point. The rejection of the channel resistance line (USD 22,923) is warning that the 22,125 fractal low could be tested and broken. We currently have a 3-wave pattern lower, if it becomes 5, it will warn that the corrective phase is becoming more complex, suggesting upside moves have the potential to be countertrend. Conversely, upside moves above USD 23,075 will imply buy-side pressure is increasing, leaving the USD 23,600 fractal resistance vulnerable. Momentum suggests support levels are vulnerable in the near-term; however, we are cautious on downside breakouts, as the 5-wave pattern could attract short-term buying interest.



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



Support		Resistance		Current Price	Bull	Bear
S1	9.37	R1	10.16			
S2	9.15	R2	10.36			
S3	8.87	R3	10.64			
				9.60	Stochastic oversold	RSI below 50

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 (46)
- Stochastic is oversold
- Technically bullish with a neutral bias last week, the probability of the futures trading to a new high had started to decrease, warning the USD 9.375 fractal low was vulnerable. The DMI looked like it could produce a bearish cross, whilst the ADX was dropping, warning we could soon be leaving a bullish trending environment. If however, we saw a close that held above the linear regression line (USD 10.31), it would imply that buy-side pressure is increasing, meaning the USD 10.70 Fibonacci resistance could come under pressure.
- The futures have sold to a low of USD 9,50 before seeing light bid support. We are below all key moving averages supported by the RSI below 50.
- Upside moves that fail at or below USD 10.64 will leave the futures vulnerable to further tests to the downside, above this level the technical will be back in bullish territory.
- Bearish with a neutral bias, the MA on the RSI implies that momentum remains weak, implying the USD 9.37 fractal low remains vulnerable in the near-term. However, below this level price will be in divergence with the RSI, not a buy signal, it is a warning that we could see a momentum slowdown. A close that holds above the linear regression line (USD 10.32) will imply that buy-side pressure is increasing, meaning the USD 10.64 resistance could be tested. If broken, the technical will be back in bullish territory; conversely, if rejected, it will warn that the corrective phase is becoming more complex, indicating support levels could come back under pressure. Momentum suggests that the USD 9.37 fractal low is vulnerable, the divergence warns that downside breakouts could struggle to hold.

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