

FIS Capesize Technical Report

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FIS Capesize Technical Report

Synopsis:

Index

The index remains technically in a corrective phase above the key USD 13,608 support. The consolidation phase has lasted longer in time than the previous two consolidation phases. The time period is marginal but it could be an early sign that downside momentum is starting to weaken. Upside moves above the USD 17,674 would take the technical into a neutral phase and below USD 16,636 would signal potential downside continuation.

Oct

The October futures remain technically bearish but have entered a consolidation phase with Fibonacci support below and MA's above. Upside price action needs to break the USD 19,850 level to create a higher high in the market. Likewise downside moves below USD 18,000 would signal downside continuation.

Q4

Momentum on the last report suggested higher pricing and this has been the case. Intraday price action is currently bullish but has the potential to diverge above USD 18,650, supporting last weeks view that the upside move is considered as countertrend. USD 19,060 is a key resistance level, price above this area would take the longer-term technical into a neutral phase.

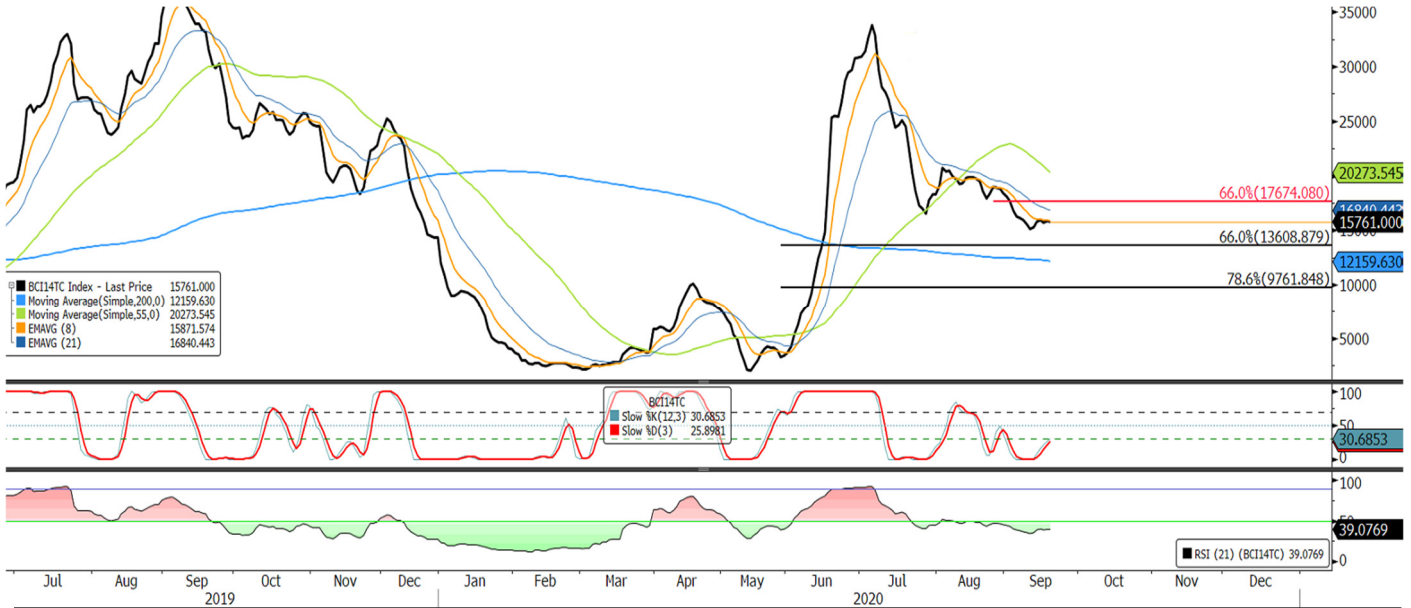
Cal 21

Like the Q4 futures the current upside moves looks to be countertrend. This is based on the intraday futures looking like they will produce a negative divergence above USD 13,650. For this reason upside moves above USD 13,650 would not be considered a technical buy. They may (or may not) be a buy from a physical or fundamental perspective, but not a technical one, as the intraday divergence is warning of a potential for a momentum slowdown (Murphy, Williams, Pring).

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Capesize Index



Support	Resistance	Current Price	Bull	Bear
S1	R1	15,761	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

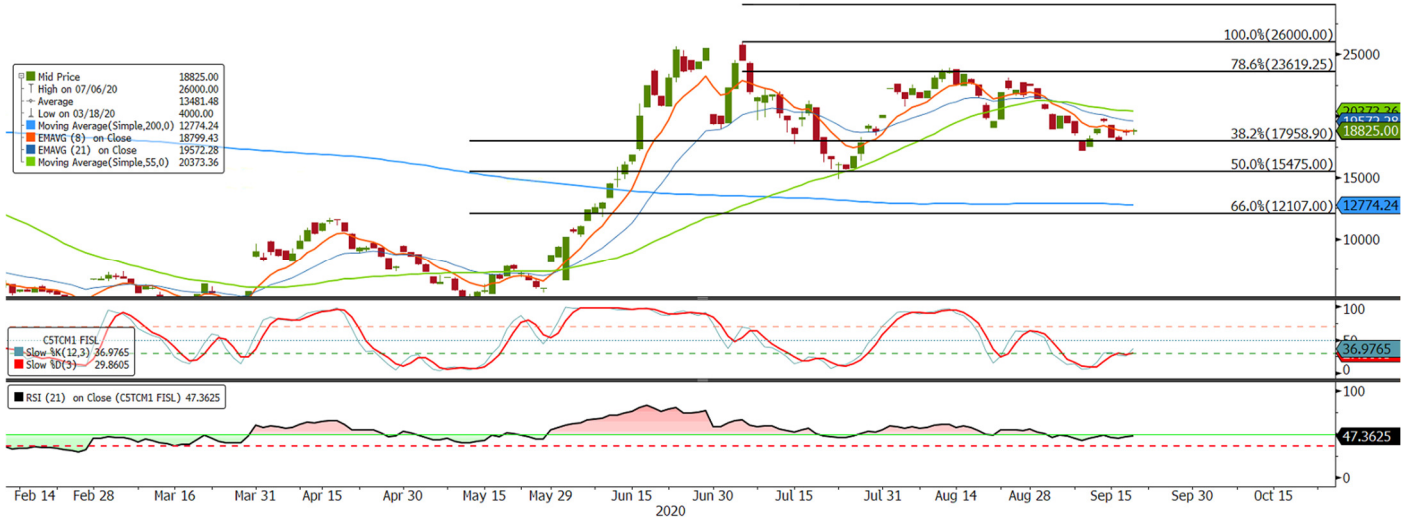
Chart source Bloomberg

- Price is below the 8–21 period EMA’s
- RSI below 50
- Stochastic oversold
- The index has entered a small corrective phase that looks to be lasting longer in time than the previous two up moves. It is only by a day but it is suggesting we are seeing some form of momentum slowdown
- Price remains above the key USD 13,608 support with the RSI now at 39. If the RSI can get above, and hold above the 40 level, then we have a stronger chance of seeing price action test the USD 17,674
- Upside moves that fail at or below the USD 17,674 level remain vulnerable to further tests to the downside. Above this level the bearish phase becomes neutral
- The index remains above key support with some signs of a momentum slowdown in progress. However, right now we need to see more from the technical to be considered as bullish. Downside moves below USD 15,636 would suggest the index is likely to come under pressure again

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Capesize Oct 20



	Support	Resistance	Current Price	Bull	Bear
S1	17,958	R1	18,825	Stochastic oversold	RSI below 50
S2	15,475	R2			
S3	12,107	R3			

Synopsis - Intraday

- Price is below the 8–21 period EMA's
- RSI is below 50 (47)
- Stochastic is oversold
- On the last report we highlighted we had the potential to see a momentum slowdown and this has been the case. Having initially dropped for one more day, price instantly rebounded with the futures making a high at USD 19,850
- Fibonacci support to the downside, with EMA/MA resistance to the upside has resulted in a week of consolidation for the October futures
- Upside moves above the USD 19,850 level would break Fractal resistance and create a higher high in the market. At this point price action would be considered as bullish
- Likewise, downside moves below USD 18,000 would create a lower low in the market signalling downside continuation with a near-term target of USD 17,225
- The RSI is nearing the 50 level as the market consolidates, for the market to produce higher prices it would need to hold above this level
- Technically we remain in bearish territory with the market currently in a consolidation phase. Price action remains vulnerable to the downside below 19,850

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Capesize Q4



	Support	Resistance	Current Price	Bull	Bear
S1	17,750	R1	18,650		
S2	17,396	R2	19,060		
S3	17,156	R3	20,250		

Synopsis - Intraday

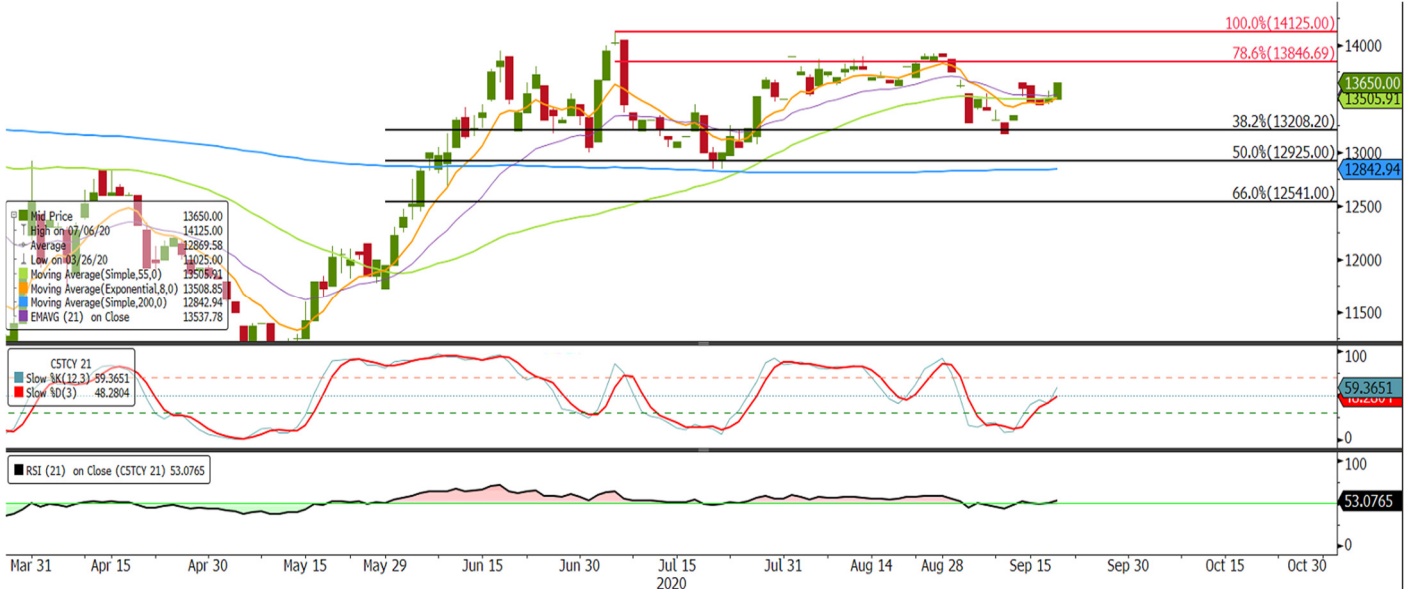
- Price is between the 8—21 period EMA’s
- RSI is at 50
- Stochastic is at 50
- On the last report we highlighted the oversold stochastic with the intraday RSI in divergence, both of which warned of a momentum slowdown to the downside. Price action has rallied, momentum is now in a neutral phase along side price, which is between the daily EMA’s
- Intraday momentum is currently bullish. However, upside moves above the USD 18,650 level have the potential to create a negative divergence with price, suggesting the current move is considered as countertrend
- Price action that fails at or below the USD 19,060 level remains vulnerable to further tests to the downside, above this level the longer-term trend will move into a neutral phase based on price
- Downside moves below USD 17,750 would break Fractal support signalling the technical is entering into a bearish phase
- Technically bearish but in a corrective phase. Intraday price action is currently bullish but has the potential to produce a negative divergence, supporting a countertrend move rather than a bullish one. Key resistance is at USD 19,060

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Capesize Cal 21



	Support	Resistance	Current Price	Bull	Bear
S1	13,450	R1	13,650	Stochastic oversold	RSI below 50
S2	13,275	R2	13,846		
S3	13,175	R3	13,925		

Synopsis - Intraday

- Price is below the 8–21 period EMA’s
- RSI is below 50 (45)
- Stochastic is oversold
- As highlighted last week on the cape complex, the intraday technical was indicating a momentum slowdown and this has been the case.
- Intraday price action is now testing the USD 13,650 resistance. Above this level the futures will have made a higher high in the market, supporting bullish price action. However, the intraday technical will be in divergence above this level implying the upside move is currently a countertrend move
- Downside moves below the USD 13,450 level would break Fractal support and create a lower low in the market. This would warn that the futures have entered a corrective phase
- The current upside move is bullish on the intraday but looks to be a countertrend move due to the potential intraday divergence above USD 13,650. For this reason price action is not considered a technical buy above 13,650