

FIS Capesize Technical Report

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FIS Capesize Technical Report

Synopsis:

Index

On the last report we highlighted that downside momentum was slowing, if the RSI could get above 40 then the USD 17,674 level could be tested. Price has rallied USD 7,000. The focus remains on the RSI as it is now above the 62 level, if we hold above this level then upside resistance levels should be regarded as near-term upside targets based on previous price movement.

Oct

The October futures now look to be on a bullish 5th wave. This needs to be confirmed by making a new high above USD 26,000. With the Q4 making a new high would suggest it will do soon. Elliott wave analysis has a near-term upside target of USD 28,471. price action remains bullish above USD 20,309 and neutral below.

Q4

We had this as a countertrend move last week and got caught offside. The futures are now on in a bull phase with intraday analysis suggesting there remains more to the upside. Downside moves are considered as countertrend. Currently at key resistance levels. Technically bullish with more potentially in the tank based on the intraday Elliott wave count. Downside moves below USD 18,518 would take the technical into a neutral phase

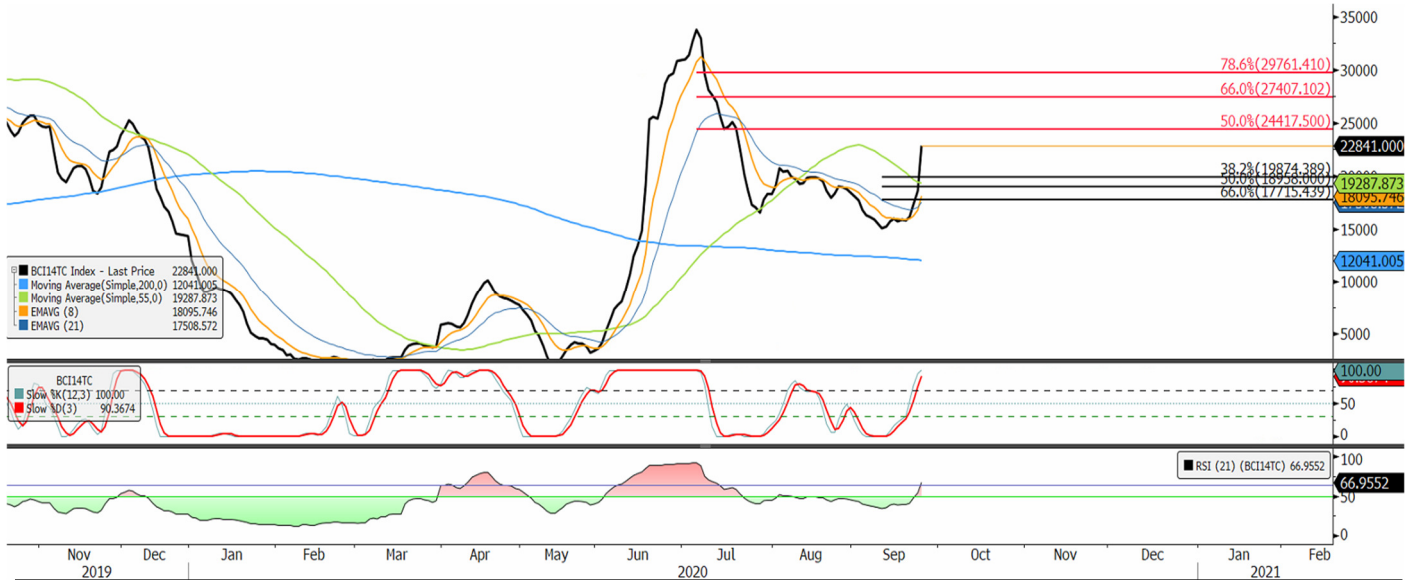
Cal 21

Technical a bullish impulse and not a countertrend moves as we had predicted last week. The futures are not testing the USD 14,125 high. Above this level the RSI will be in divergence warning of the potential for a momentum slowdown. Base on wave analysis the near-term upside target is USD 14,765. price action below USD 13,464 would take the futures into a neutral phase.

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Capesize Index



	Support	Resistance	Current Price	Bull	Bear
S1	19,874	R1	24,417	RSI above 50	Stochastic overbought
S2	18,958	R2	27,407		
S3	17,715	R3	29,761		

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 8–21 period EMA's
- RSI below 50
- Stochastic oversold
- On the last report we highlighted the index was showing a momentum slowdown and this has been the case. The index is now up USD 7,000
- The RSI is now above 40 with the index trading above the USD 17,674 resistance. Now at 66, the RSI is in an area that would signal bullish continuation based on previous RSI moves
- Downside moves that hold above the USD 17,715 level remain in bullish territory. Below this level the pullback is considered deep
- Near-term resistance is at USD 24,417
- Technically momentum has turned. The RSI above 62 would suggest we have the potential for further upside in this bull run

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Capesize Oct 20



	Support	Resistance	Current Price	Bull	Bear
S1	22,215	R1	25,875	RSI above 50	Stochastic overbought
S2	21,262	R2	26,000		
S3	20,309	R3	28,471		

Synopsis - Intraday

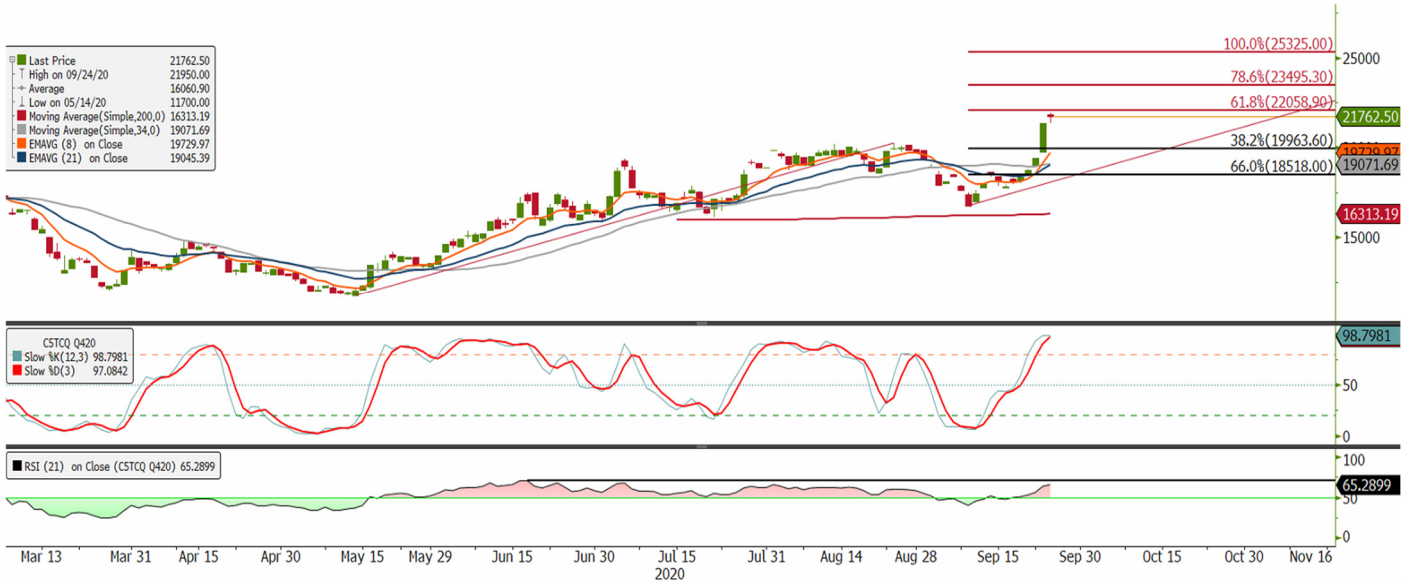
- Price is above the 8–21 period EMA's
- RSI is above 50 (61)
- Stochastic is overbought
- The upside move broke the USD 19,850 level creating a higher high in the market, meaning it is regarded as technically bullish
- The futures now look to have entered a bullish Elliott 5th wave. Confirmation of this will come from price action meaning a new high above USD 26,000. Elliott wave analysis would then have a near-term target of USD 28,471
- Downside moves that hold above USD 20,309 remain in bullish territory and neutral below
- The RSI is now above 50 and in bullish territory, however when price does go above the USD 26,000 level a negative divergence will form. Note; this is a warning and not a sell signal, wave 5's in commodities do extend more than equities. With the RSI 20 points away from it's high we could stay in divergence for a while
- Technically bullish, needs to trade above USD 26,000 for the minimum requirement of a wave 5 completion



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Capesize Q4



	Support	Resistance	Current Price	Bull	Bear
S1	19,963	R1	21,750	RSI above 50	Stochastic overbought
S2	19,350	R2			
S3	18,518	R3			

Synopsis - Intraday

- Price is between the 8—21 period EMA's
- RSI is at 50
- Stochastic is at 50
- On the last report we had the intraday upside momentum as bullish but with the potential to diverge above USD 18,650 with the technical going to neutral above USD 19,060. This was not the case. The divergence failed (hence warnings), the market went into neutral phase and has now gone onto make a new high indicating the market must be on a wave 5
- The futures have now completed the minimum requirement for Elliott wave cycle completion with the futures now at a key resistance (USD 22,058). Based on intraday wave analysis, downside pullbacks would be considered as counter at this point.
- Price action below USD 18,518 would be considered as deep and the phase neutral
- Technically bullish and at key resistance. Elliott wave analysis would suggest that downside moves should be considered as countertrend as this still has potential for further tests to the upside

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Capesize Cal 21



	Support	Resistance	Current Price	Bull	Bear
S1	13,700	R1	14,034	RSI above 50	Stochastic overbought
S2	13,600	R2	14,125		
S3	13,464	R3	14,400		

Synopsis - Intraday

- Price is above the 8–21 period EMA's
- RSI is above 50 (59)
- Stochastic is overbought
- Like the Q4 technical we suspected this would be a countertrend move as the intraday technical looked like it was going to go into divergence. This has not been the case with the upside move being considered as impulse
- Near-term resistance is at the USD 14,125 high, price action above that would confirm a bullish impulse wave with a potential upside target of USD 14,765.
- Downside moves below 13,772 would suggest the technical is entering a corrective phase and below USD 13,464 the pullback would be considered as deep and the phase neutral
- The RSI is bullish but has the potential to produce a negative divergence above USD 14,125