

FIS Capesize Technical Report

info@freightinvestor.com | www.freightinvestorservices.com | (+44) 207 090 1120

Synopsis:

Index

Technical signals were bullish on the last report with the index having another 10k push. The index is now in divergence with the RSI but remains bullish with the next point or resistance at USD 40,217. If the RSI (21 period) goes below 64, then momentum will be seen as weakening and suggest we could be seeing cycle completion.

November

The October futures as anticipated have reached our upside targets. However the October failed to make a new high before the futures roll meaning the November futures did not enter cycle completion but a corrective phase within the current bullish wave 5. If the Elliott wave cycle (daily and intraday) is correct then then the November futures still need to trade above the USD 26,000 level with a near-term target of USD 28,471

Q4

As predicted downside moves were considered as countertrend and this has been the case. The Q4 remains in a bullish trend above key MA's and supported by the RSI above 50. intraday wave analysis still supports a bullish trending environment meaning downside moves should be considered as countertrend. However, price action below USD 21,983 is considered as deep on the intraday and would take the technical into a neutral phase.

Cal 21

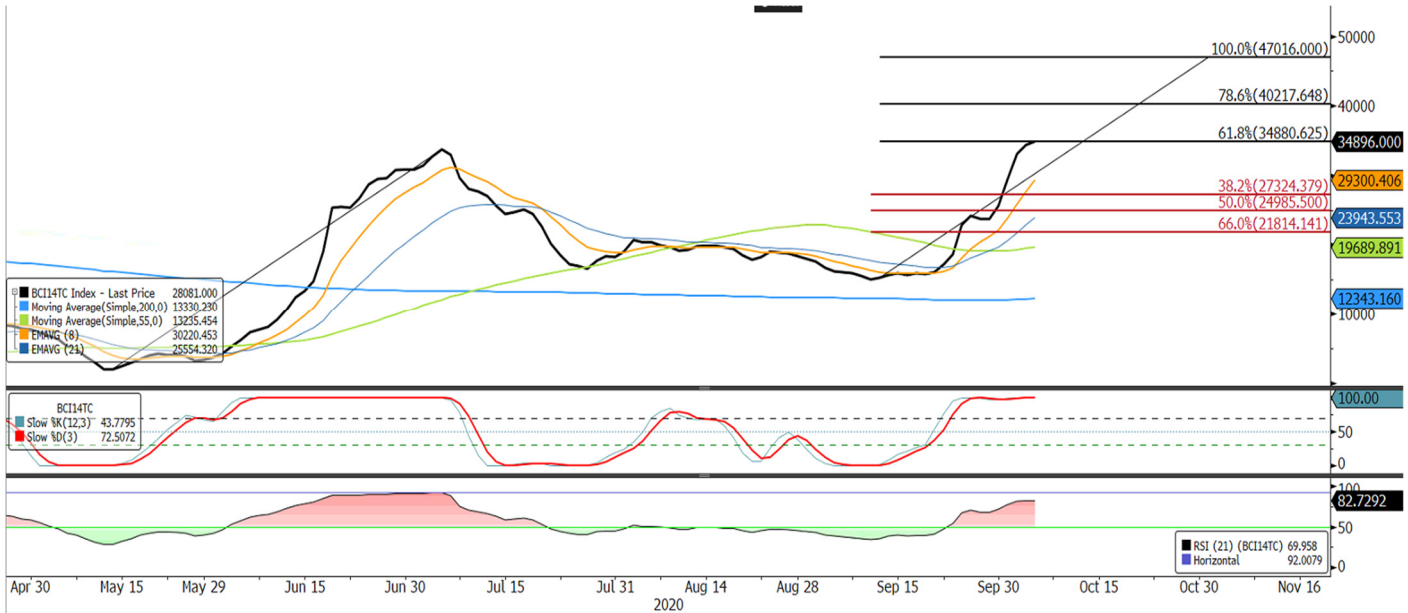
Little changed from the last report. Technically bullish and in trend, the futures have failed to make a new high that is generally accepted as the minimum requirement for cycle completion. USD 13,464 remains a key support as below this level the trend becomes neutral.

Upside moves above the USD 14,125 level would bring into question the intraday wave count and open up the possibility of an extending 5th wave.

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Capesize Index



Support	Resistance	Current Price	Bull	Bear
S1	R1	34,896	RSI Above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

- Price is above the 8 - 21-period EMA's
- RSI is above 50
- Stochastic is overbought
- On the last report we highlighted the bullish RSI had opened up the index for a potential upside run and this has been the case
- The index has made a new high but this is not being replicated by the RSI. This is known as a negative divergence and warns that momentum has the potential to slowdown soon. It is worth noting that divergences can and do fail and in this instance each RSI point is worth 738, with the RSI 10 points from the high. Theoretically we can rally USD 7,380 from here and remain in divergence
- Downside moves that take the RSI below 64 would warn of a weakening technical environment
- Currently on a Fibonacci resistance level the next upside target is broken is USD 40,217

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Capesize November (1 Month forward)



Support	Resistance	Current Price	Bull	Bear
S1	R1	22,750	RSI Above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

- RSI is above 50
- Stochastic overbought
- Price is above the 8 -21 period EMA's
- On the last report we gave the October futures a minimum upside target of USD 26,000 and a near-term target of USD 28,471. All were achieved, however the October made a new high after the roll went through, meaning in theory the November remains on a bullish wave 5 and now also needs to trade above the USD 26,000 level, for minimum wave completion
- The futures roll did not penetrate the USD 20,550 technical support meaning the long-term technical remains in bullish territory. This is supported by the RSI which is above the 50 level
- Based on intraday wave analysis downside moves should be considered as countertrend providing the USD 20,550 level holds. Below this level the pullback would be considered as deep, the phase neutral and bring into question the intraday Elliott wave count

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Capesize Q4



	Support	Resistance	Current Price	Bull	Bear
S1	20,983	R1	23,495	RSI above 50	Stochastic overbought
S2	21,983	R2	25,325		
S3	20,175	R3	27,633		

Synopsis - Intraday

- Price is above the 8-21 period EMA
- RSI is above 50
- Stochastic is overbought
- Probably the last technical in the Q4 as we will soon be pricing deep into October. Note last report, technically bullish with pullbacks being countertrend. market pulled back and went up as predicted
- Now due to the fact the Q4 is nearing completion as entering October, this also means that we are nearing cycle completion. However, the technical is currently bullish and in a trending environment
- Intraday wave analysis would suggest that downside moves are still considered as countertrend with the futures looking like they will test and potentially break the USD 23,600 high. Upside moves above USD 23,495 will target the USD 25,325 resistance
- Technically the longer term trend remains bullish above the USD 19,079 level. The reality, if the price goes below the USD 21,983 level then the intraday price is warning that something is wrong within the bull phase, meaning market longs should hold a neutral view based on the pullback

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Capesize Cal 21



	Support	Resistance	Current Price	Bull	Bear	
S1	13,700	R1	13,825	RSI above 50	RSI below 50	
S2	13,600	R2				14,125
S3	13,464	R3				14,400

Synopsis - Intraday

- Price action is between the 8 - 21 period EMA
- RSI is above 50 (54)
- Stochastic is overbought
- As highlighted on the last report the futures have failed to make a new high meaning technically the trend remains bullish. The intraday cycle does suggest we have seen cycle completion, unless of course this wave 5 is going to extend and we have just seen the first part of the final wave
- Downside moves below USD 13,464 would take the technical into a neutral phase
- Upside moves above USD 14,125 will have completed the minimum requirement for cycle completion but also bring into question the idea of an extended 5th (internal wave structured would have to be re-evaluated if a new high was achieved)
- Technically we still remain bullish but USD 13,464 is going to be a key support going forward