

# FIS Capesize Technical Report

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

## Synopsis:

### Index

Technically bearish with price trading below Fibonacci support and the 200 period MA last week. The index divergence has failed with the RSI now approaching the 28 level which has signalled countertrend moves in the past. This support would be more important if the market had been in divergence as it has previously signalled strong rallies. If the RSI support fails then it would suggest we could see further downside pressure in the near-term. Bearish but warning signs based on the RSI that we have the potential to see a countertrend move.

### December

The futures remain technically bearish with upside moves failing to trade/close above the 200 period MA. The RSI is now on a technical support at 37 warning we could potentially see some form of countertrend move to the upside. The intraday RSI is showing a positive divergence supporting a potential momentum slowdown. The current daily candle has had a higher high and higher low, a close above USD 13,125 would support a near-term bullish argument. With downside price action failing to hold the divergences would support slowing momentum on the intraday as warn we could soon see some form of upside move soon.

### Q1 21

The Q1 futures failed to make a higher high in the market meaning Fractal resistance is at USD 8,425, upside moves above this level would be considered as near term bullish. The RSI remains below 50 but will produce a positive divergence below the USD 7,675 support, this is also being replicated on the intraday RSI. Technically bearish but not a technical sell at this point as downside momentum is showing signs that it starting to slowdown.

### Cal 21

A new low in the Cal 21 yesterday created a positive divergence with the RSI on the intraday technical. Although not a buy signal is has resulted in price pushing off its low, indicating we are seeing a momentum slowdown meaning the market. The Cal 21 is not considered as a technical sell at this point. A close above USD 13,050 would warn that momentum is improving based on price and above the USD 13,175 level the futures would be considered as bullish.

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## Capesize Index



Support	Resistance	Current Price	Bull	Bear
S1	R1	11,730	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

### Synopsis - Intraday

Source Bloomberg

- Price is below the 8 - 21-period EMA's
- RSI is below 50 (31)
- Stochastic is oversold
- On the last report we highlighted that support levels looked like they could be broken with a chance that the divergence could fail and this has been the case
- We remain technically bearish and in trend with the index holding below the 200 period ma
- The RSI is nearing 28 a level that has previously held as support, however this has a tendency to signal countertrend moves in the market before moving lower. Powerful if a positive divergence is in play (note the divergences in March 2019 and May 2020). Unfortunately the RSI is not in divergence suggesting that is support holds it is likely to be countertrend
- Upside moves above the USD 13,021 level would imply that buy-side momentum is improving. Fractal resistance remains unchanged at USD 14,848 meaning this is the level the index must get above to make a higher high in the market
- Technically bearish, if the RSI 28 support holds it could signal a countertrend move

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## Capesize December (1 Month forward)



	Support	Resistance	Current Price	Bull	Bear
S1	12,262	R1	13,000	Stochastic oversold	RSI below 50
S2	11,486	R2			
S3	11,382	R3			

Source Bloomberg

### Synopsis - Intraday

- RSI is below 50
- Stochastic oversold
- Price is below the 8 -21 period EMA's
- On the last report we highlighted that price was below the 200 period MA indicating technical weakness. Upside price action failed to trade above the USD 14,208 level, resulting in further downside moves
- The trend remains technically bearish below all key moving averages with the RSI below 50. The RSI is holding around a support level that has previously signalled countertrend moves
- The current daily candle stick has made a higher high and higher low than the previous days. A close above the USD 13,125 level would mean that upside momentum is improving based on price, warning we could see buying pressure in the coming days
- It is worth noting on the intraday technical that the 4-hour candle created a bull divergence on the 12,100 low yesterday, warning we are seeing a momentum slowdown
- Technically bearish, with the RSI on support whilst the intraday RSI is in divergence would mean the market is not considered a technical sell at this point

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## Capesize Q1 21



	Support	Resistance	Current Price	Bull	Bear
S1	7,675	R1	8,425	Stochastic oversold	RSI below 50
S2	7,250	R2	7,950		
S3	6,907	R3	8,945		

Source Bloomberg

### Synopsis - Intraday

- Price is between the 8-21 period EMA
- RSI is below 50 (43)
- Stochastic is oversold
- Little has changed from the last report with upside moves failing to make new highs. Price remains in a bearish trending environment, below All key moving averages
- Downside moves that trade below the USD 7,675 support have the potential to create a positive divergence in the market, warning we could see a momentum slowdown soon
- Fractal resistance is at USD 8,425, upside moves above this level would create a higher high in the market indicating the near-term technical is turning bullish
- The trend is bearish, we are seeing warning signs of a momentum slowdown on daily and intraday charts on price action below the USD 7,675 level

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## Capesize Cal 21



Support	Resistance	Current Price	Bull	Bear
S1	R1	12,925	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

### Synopsis - Intraday

Source Bloomberg

- Price action is below the 8 – 21 period EMA
- RSI is below 50
- Stochastic is in divergence
- The futures traded below the USD 12,850 support yesterday triggering a positive divergence in the market, resulting in buying support
- Upside moves that close above the USD 13,050 level would warn that upside momentum is increasing based on price
- Downside moves that trade below USD 12,775 would create a positive divergence on the intraday technical
- Fractal resistance is at USD 13,175, upside moves above this level would be considered as bullish, based on the market making a higher high from a new low
- Technically bearish, price action rejected the downside move due to a positive intraday divergence, warning of a momentum slowdown. This means the market is not considered a technical sell at this point

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