

# FIS Capesize Technical Report

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## Synopsis:

### Index

Technically similar to last week with support and resistance unchanged. RSI support continues to hold, warning we have the potential for an upside countertrend move. Price action needs to trade above the USD 14,848 Fractal resistance to be considered as bullish. The index is now making higher closes suggesting we could be in the early stages of a countertrend move.

### December

On the last report we highlighted that the RSI was on support with the intraday RSI producing a bullish divergence, suggesting we had the potential to enter a countertrend move which has been the case. Price has made a higher high above the USD 13,725 resistance but remains within the last bear wave down that started on the 09-11-20, meaning it is considered as countertrend at this point. Above the USD 13,377 level the technical phase is considered as neutral and above the USD 15,550 level price will have made a higher high and be considered as bullish. Upside moves that fail at or below the USD 14,377 level remain vulnerable to further tests to the downside. 5 year average values on the index would suggest there is the potential for a small move higher based on the seasonality charts, supporting the current upside move. However, average values only hold into early December before correcting again warning this move could potentially be short lived.

### Q1 21

Signs that the futures were basing last week have proven correct, with price now trading higher. Upside moves that fail at the USD 8,945 level remain vulnerable to further tests to the downside, above this level the technical enters a neutral phase. Near-term intraday price action is bullish based on price and momentum, suggesting we have the potential to test upside resistance levels in the near-term as does the seasonality chart mention above.

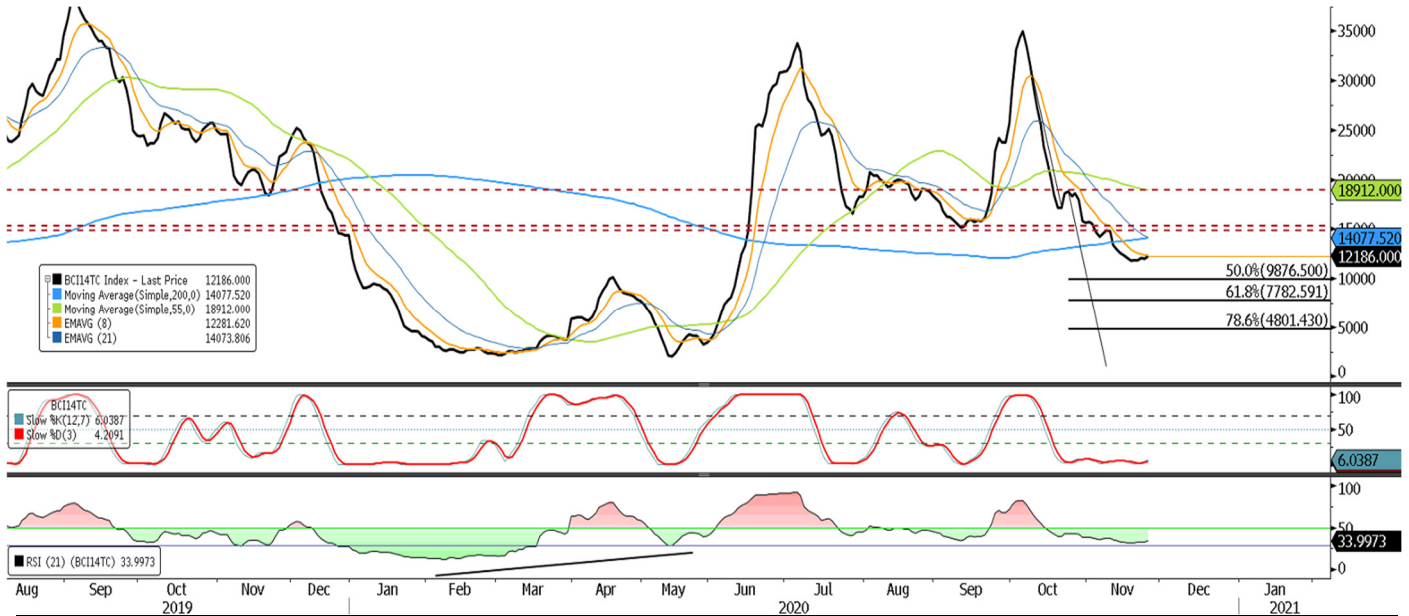
### Cal 21

Not a technical sell last week, price has moved higher. Unlike the rest of the Capesize complex the upside move that has made a higher high has come from a low, meaning it is considered as technically bullish and not countertrend. Downside moves that hold above the USD 12,979 level would support a bullish argument, as would a close that holds above the USD 13,394, 55 period MA.

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## Capesize Index



Support	Resistance	Current Price	Bull	Bear
S1	R1	12,186	Stochastic oversold	RSI below 50
10,081	13,846			
S2	R2			
9,876	14,848			
S3	R3			
7,782	15,293			

### Synopsis - Intraday

Source Bloomberg

- Price is below the 8 - 21-period EMA's
- RSI is below 50 (33)
- Stochastic is oversold
- Support and resistance remain unchanged with price remaining in a bearish trending environment, below the 200 period MA and the EMA's
- The RSI continues to hold support warning we have the potential to enter a countertrend move
- Price is making higher closes supporting a momentum slowdown. A close on the index below USD 11,929 would warn the technical is showing further signs of weakness based on price
- Fractal resistance remains unchanged, upside moves will need to closed above the USD 14,848 to make a new high and be considered as bullish
- Little changed technically the trend is bearish but looking oversold at these levels suggesting we have the potential for a countertrend upside move

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## Capesize December (1 Month forward)



Support		Resistance		Current Price	Bull	Bear
S1	12,550	R1	14,377	13,850	Stochastic oversold	RSI below 50
S2	12,100	R2	14,811			
S3	11,486	R3	15,550			

Source Bloomberg

### Synopsis - Intraday

- RSI is below 50
- Stochastic oversold
- Price is between the 8 –21 period EMA’s
- On the last report we highlighted that the futures had the potential to enter a countertrend move. This was based on the intraday bullish divergence that formed on the USD 12,100 low. Having initially traded to USD 13,725 the futures have created a higher high in the market, supporting a countertrend move
- Upside moves that fail at or below the USD 14,377 level remain vulnerable to further tests to the downside. Above this level the futures will enter a neutral phase; this would be based on a deep pullback into the last bear wave down that started on the 9-11-20
- Downside moves that trade below the USD 12,550 level would create a lower low in the market, suggesting the futures have the potential to create new lows
- Technically the upside move is corrective and considered as countertrend; above the USD 15,550 level the futures will have made a higher high and be considered as technically bullish

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## Capesize Q1 21



	Support	Resistance	Current Price	Bull	Bear
S1	7,675	R1	8,700	Stochastic oversold	RSI below 50
S2	7,250	R2	8,945		
S3	6,907	R3	9,188		

Source Bloomberg

### Synopsis - Intraday

- Price is between the 8-21 period EMA
- RSI is below 50 (45)
- Stochastic is oversold
- On the last report we highlighted that we were seeing signs of a momentum slowdown with intraday pricing likely to show a positive divergence below the USD 7,675 level. Price held at USD 7,700 with the daily technical making higher highs within the last bear wave, suggesting we have entered a countertrend move
- Upside moves that fail at or below the USD 8,945 level remain vulnerable to further tests to the downside
- Intraday price action is showing bullish signal based on the 4—hour RSI moving above 50 whilst price is making higher highs
- The technical has found a support base and looks to be moving higher at this point with near-term resistance at USD 8,700. USD 8,945 remains the key resistance to follow as this is the balance between bearish and neutral

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## Capesize Cal 21



	Support	Resistance	Current Price	Bull	Bear
S1	12,979	R1	13,394		
S2	12,836	R2	13,600		
S3	12,710	R3	13800		

### Synopsis - Intraday

Source Bloomberg

- Price action is below the 8 – 21 period EMA
- RSI is at 50
- Stochastic is neutral
- Not a technical sell last week due to a positive divergence in the market, the futures have now moved higher
- Near-term price action is above the 8—21 period EMA’s but currently holding below the 55 period MA. Upside moves that close above and hold above the USD 13,394 level would support a bull argument
- Price has broken fractal support meaning it has made a higher high and considered to be technically bullish
- Downside moves that hold at or above the USD 12,979 level would support a bull argument, below this level the pullback is considered as deep and the phase neutral
- Both the stochastic and the RSI are neutral
- Technically bullish based on price, USD 12,979 is the key technical support level

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