

FIS Capesize Technical Report

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Synopsis:

Index

Warning signals that we could see downside momentum slowdown, proved to be correct, with the index moving USD 2,000 higher. A higher high has been made indicating we are technically bullish, however price remains below the 200 period MA with the Stochastic showing a negative divergence. This would suggest we have the potential to enter a corrective move lower soon.

Jan 21

The Jan futures are holding at the USD 12,128 resistance with the daily candlestick chart creating a Doji cluster, indicating market indecision. With no thanksgiving rally in the index, the upside move has come from a low base. The index is now at 5-year average values, warning we could see a potential momentum slowdown in the futures soon. Intraday analysis on the 60 min chart warn that upside moves will create a negative divergence, supporting a potential momentum slowdown. Downside moves that close below the USD 11,550 level would indicate that price is entering a corrective phase.

Q1 21

The futures are currently showing a rejection candle, with the intraday RSI in divergence. Downside moves that hold above the USD 8,534 level would keep the technical in bullish territory, below this level the pullback is considered as deep and the technical phase as neutral. Focus here is on the intraday 4-hour chart which is signalling the futures are potentially in the early stages of a corrective phase. Intraday Elliott wave analysis would suggest that a corrective move down is likely to be a countertrend wave 4.

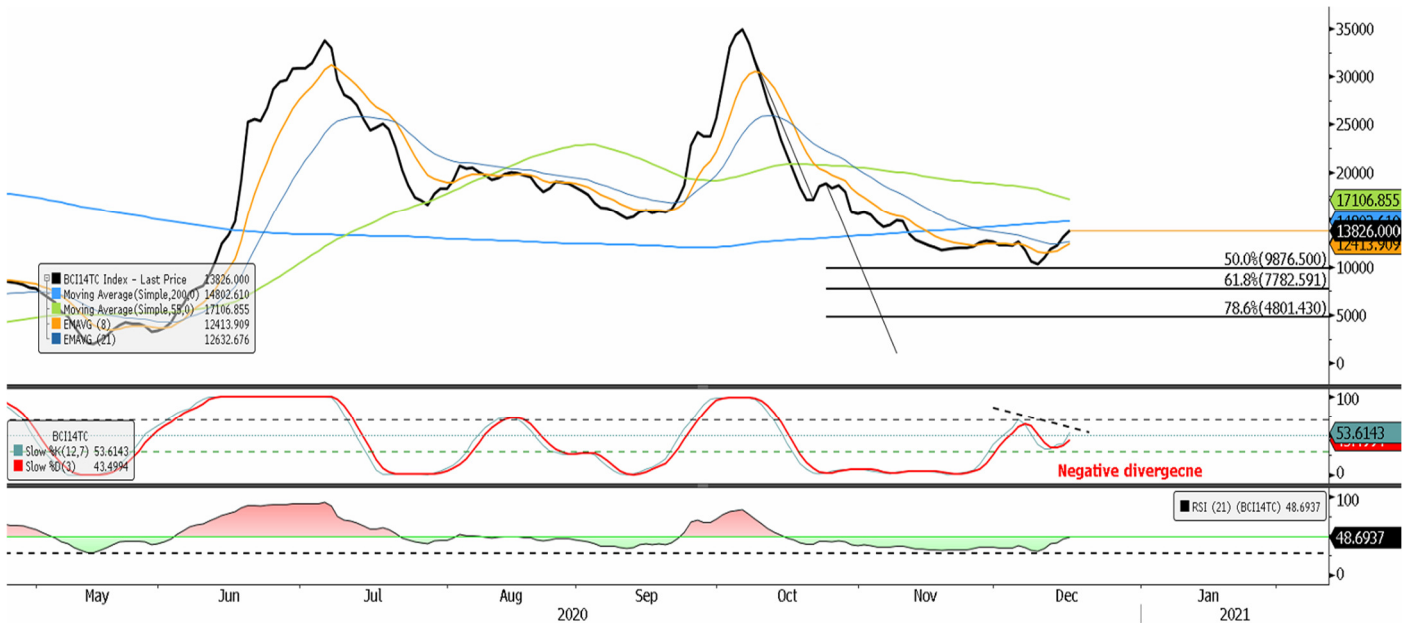
Cal 21

The fractal footprint remains bullish but the intraday technical is suggesting we could be in the early stages of a corrective wave. Downside moves that hold above the USD 13,283 level would keep the technical in bullish territory. Below this level the pullback is considered as deep and the phase neutral. Intraday Elliott wave analysis would suggest that the downside move could be a countertrend wave 4.

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Capesize Index



Support	Resistance	Current Price	Bull	Bear
S1	R1	13,826		RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8 - 21-period EMA's
- RSI is below 50 (48)
- Stochastic is below 50
- On the last report we highlighted the positive divergence on the stochastic with price on support, warning we had the potential to see a momentum slowdown. The index is now over USD 2,000 higher
- The index has made a higher high, meaning it is considered as technically bullish
- The RSI is below 50 with the stochastic showing a negative divergence warning upside momentum has the potential to slowdown soon
- Technically bullish having made a higher high, the index remains below the 200 period MA (USD 14,802) with a negative divergence in paly, warning we have the potential to see a corrective move soon

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Capesize Jan 21 (1 Month forward)



Support		Resistance		Current Price	Bull	Bear
S1	10,729	R1	12,128	11,850		RSI below 50
S2	10,275	R2	12,849			
S3	9,659	R3	14,075			

Source Bloomberg

Synopsis - Intraday

- RSI is below 50
- Stochastic below 50
- Price is below the 8 –21 period EMA’s
- On the last report we report we highlighted a momentum slowdown with the potential for an upside move in the futures and this has been the case. The futures have traded above the USD 12,128 level meaning the technical is now considered as neutral rather than bearish.
- Price is above the 8—21 period EMA’s but is holding around the USD 12,128 resistance, with the last two days producing indecision candles. The rally comes from a seasonally low base with the index now at 5-year average values, warning that we have the potential to see a momentum slowdown in the futures
- Intraday momentum on the 1-hours chart will create a negative divergence on an upside move, supporting the indecision that is showing on the daily candlesticks
- Downside moves that close on the daily technical below the USD 11,550 level, would suggest that we could be entering a corrective phase. Price action that holds above USD 9,659 level would support a buyers argument

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Capesize Q1 21



	Support	Resistance	Current Price	Bull	Bear
S1	9,256	R1	10,600	RSI above 50	Stochastic overbought
S2	8,950	R2	11,396		
S3	8,534	R3	11,726		

Source Bloomberg

Synopsis - Intraday

- Price is above the 8-21 period EMA
- RSI is above 50 (61)
- Stochastic is overbought
- As highlighted previously the futures had formed a base, with price and momentum starting to firm. Price produced an upside breakout and traded to a high of USD 10,250
- The technical is bullish on the daily chart, however the intraday 4-hour chart is showing an RSI divergence indicating we could be readying for a corrective phase
- The RSI is in bullish territory but an overbought stochastic is supporting a potential slowdown in price.
- Downside moves that hold above the USD 8,534 level would keep the technical in bull territory, below this level the technical is considered as neutral
- Note price has closed on the 4-hour chart below the USD 10,020 with the RSI below 63.7, meaning intraday price and momentum are aligned to the downside. Intraday wave analysis would suggest this could be a countertrend wave 4 correction

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Capesize Cal 21



	Support	Resistance	Current Price	Bull	Bear
S1	13,637	R1	14,159	RSI above 50	Stochastic overbought
S2	13,487	R2	14,319		
S3	13,283	R3	14,478		

Synopsis - Intraday

Source Bloomberg

- Price is Above all key moving averages
- RSI is above 50
- Stochastic is overbought
- Technically bullish with price above the 8–21 period EMS’s and the RSI above 50
- The stochastic is overbought with the intraday 4-hour chart signalling we have entered a corrective phase
- Downside moves that hold above the USD 13,283 level would keep the technical in bullish territory, below this level the pullback is considered as deep and the phase neutral
- Intraday Elliott wave analysis would suggest this is a potential wave 4 correction meaning it should be considered as countertrend