

FIS Capesize Technical Report

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Synopsis:

Index

The index remains in bullish territory and is now above all key moving averages. The negative divergence has failed however the stochastic is in overbought territory. The key focus is the RSI at 59, as it is approaching a key level at 62. Historically, above this level the index has tended to see upside continuation. However, if it fails to get above 62 with the stochastic overbought, the index is vulnerable to a test to the downside.

Feb 21

The roll from Jan to Feb has resulted in a bullish A,B—C,D pattern that opened on a Fibonacci overlap (as illustrated on the chart). This has resulted in an upside move on the intraday of over USD 1,000. The near-term upside target is at the top of the resistance gap, USD 12,375, with the potential to test the USD 14,075 high. Upside moves that fail in the USD 11,950—USD 12,466 area remain vulnerable to further tests to the downside.

Q1 21

The futures completed the initial intraday Elliott wave phase on the 23-12-20. The cycle has moved up a time frame, into an Elliott wave 3. Near-term upside target is USD 13,725 based on the length of the initial upside wave. A wave 3 is never the shortest wave and is often the longest, meaning price could potentially trade above our near-term upside target. Downside moves that trade below the USD 11,065 level would be considered as deep, taking the technical into a neutral phase and bring into question the bullish Elliott wave count.

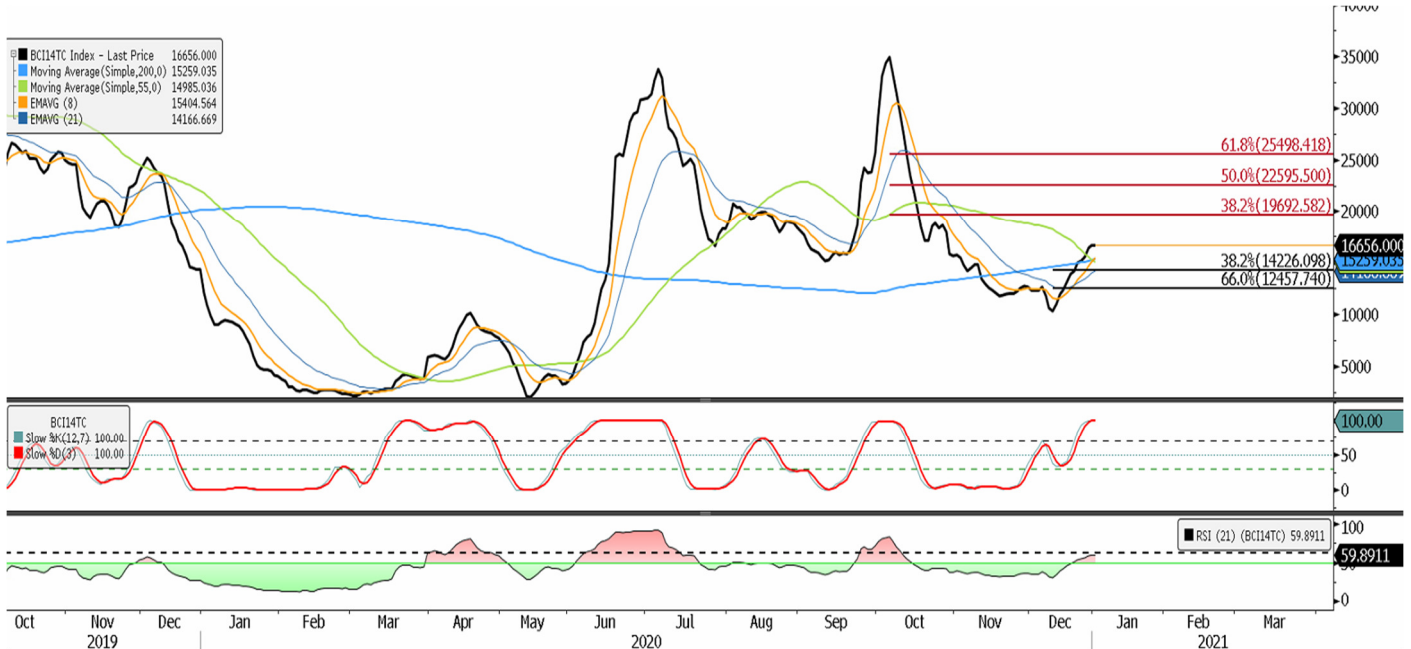
Cal 22

Like the Q1 21 futures the Cal 22 futures are currently in a bullish wave 3. The wave 3 has exceeded the length of wave one, meaning the near-term upside target is the USD 14,452 level. Downside moves that hold above the USD 13,772 level remain in bullish territory and neutral below.

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Capesize Index



Support	Resistance	Current Price	Bull	Bear
S1	R1	16,656	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above all key moving averages
- RSI is above 50 (59)
- Stochastic is overbought
- Technically bullish on the last report with a stochastic divergence warning of the potential for a momentum slowdown. Price remains in bullish territory with the negative divergence failing.
- The RSI is now approaching a key level at 62. above this level would suggest bullish upside continuation
- The stochastic is in overbought territory, if the RSI fails to move above the 62 level then momentum would be considered as vulnerable to further tests to the downside
- A close below USD 12,361 level would warn the futures could be entering a corrective phase
- Downside moves that trade below the USD 12,457 level would be considered as deep, meaning the technical phase would be considered as neutral. Likewise, downside moves that hold above this level would leave the technical open to further upside moves.

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Capesize Feb 21 (1 Month forward)



Support		Resistance		Current Price	Bull	Bear
S1	10,169	R1	12,375	11,550		RSI below 50
S2	9,494	R2	13,700			
S3	8,350	R3	14,075			

Source Bloomberg

Synopsis - Intraday

- RSI is below 50
- Stochastic is overbought
- Price is below the 8 -21 period EMA's
- The Jan futures remained in divergence on lower time frames with price failing to trade above the USD 14,075 resistance
- The roll has created a bullish A,B,C,D pattern that held at the 178.6% projection level and the 66% retracement level. This has created a Fibonacci overlap on the pack of a bullish price pattern, resulting in the futures rallying over USD 1,000
- The gap acts as a resistance zone but also gives a defined near-term upside target. As a rule, markets like to close gaps, meaning the buyers target is at USD 12,375 with the potential to test the USD 14,075 high
- Upside moves that fail between the USD 11,950—USD 12,466 area remain vulnerable to further tests to the downside

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Capesize Q1 21



	Support	Resistance	Current Price	Bull	Bear
S1	11,711	R1	12,986	RSI above 50	Stochastic overbought
S2	11,437	R2	13,725		
S3	11,065	R3	14,656		

Source Bloomberg

Synopsis - Intraday

- Price is above the 8-21 period EMA
- RSI is above 50 (72)
- Stochastic is overbought
- The intraday had suggested we could be in the early stages of a wave 4 corrective, however the pullback was shallow and lasted a matter of hours before trading to a high of USD 11,100, to create a negative divergence and phase completion.
- The futures have now entered a new phase on a higher time frame, with a near-term upside target at USD 13,725
- Downside moves that hold at or above the USD 11,065 level would keep the technical in bullish territory. Below this level the pullback is considered as deep and the phase neutral
- The start of a new cycle means the futures have entered a wave 3 on a higher time frame. This is technically bullish as wave 3's are often being the longest wave, and never the shortest. This would suggest that the USD 13,725 level is a logical upside target as this would equal the length of the initial move from the 02-12-20— 23-12-20

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Capesize Cal 22



	Support	Resistance	Current Price	Bull	Bear
S1	13,994	R1	14,452		
S2	13,900	R2	14,536	RSI above 50	Stochastic overbought
S3	13,772	R3	14,625		

Synopsis - Intraday

Source Bloomberg

- Price is Above all key moving averages
- RSI is above 50
- Stochastic is overbought
- On the Cal 21 we highlighted the downside move was likely to be a wave 4 countertrend and this was the case
- The Cal 22 futures are currently in a bullish wave 3 with the current wave now longer than the initial wave.
- The near-term upside target starts at USD 14,452. Downside moves should be considered as countertrend based on intraday Elliott wave analysis providing they hold above the USD 13,772 level. Below this level the pullback is considered as deep and the phase neutral