

# FIS Capesize Technical Report

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## Synopsis:

### Index

The index has rallied 58% since the last report after the RSI broke the 62 resistance level. Price is now in the Fibonacci resistance zone with the RSI also nearing technical resistance. It is worth noting this resistance is more powerful if it is in conjunction with a negative divergence, which it currently is not. Downside moves below the USD 22,510 level would signal a corrective phase but if the index holds above the USD 15,800 level it will support a longer-term buyers argument.

### Feb 21

Having moved higher on the back of the bullish A,B,C,D pattern the futures are correcting aggressively. Intraday wave analysis has already gone from a bullish cycle into neutral, with the higher time frame wave analysis needing to hold above the USD 12,761 level or it will also be considered as neutral. Upside moves that trade above the USD 14,825 level would be considered as bullish.

### Q2 21

The upside move has failed at the 50% Fibonacci retracement (USD 14,800) resulting in an aggressive sell off. The futures are now in the bullish support gap with technical support starting at USD 11,754 (66% retracement level). Downside moves that hold above this level would support a buyers argument with the potential to produce a bullish 5th wave, below this level the technical becomes neutral/bullish. It only becomes officially bearish if a lower low is created below USD 10,275. Key support is USD 11,754.

### Cal 22

Technically bullish on the last report the futures traded above our near-term upside target. The pullback is now considered as deep meaning the futures are regarded as bullish/neutral. Downside moves below the USD 13,500 level would be considered as bearish and above the USD 14,692 level it would support a bullish argument. Upside moves that fail at or below the USD 14,692 level remain vulnerable to further tests to the downside.

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## Capesize Index



Support	Resistance	Current Price	Bull	Bear
S1	R1	26,489	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

### Synopsis - Intraday

Source Bloomberg

- Price is above all key moving averages
- RSI is above 50 (80)
- Stochastic is overbought
- With the RSI going through the 62 level momentum signalled bullish continuation. This resulted in a 58.6% upside move in the index
- The index remains technically bullish supported by the RSI above 50, however price is now in the Fibonacci resistance zone.
- The RSI is now at 80, and in area where we have previously seen technical pullbacks. This is supported by an overbought stochastic. Momentum is warning we have the potential to slow down soon
- Downside moves on the index that close below the USD 22,510 level would warn we are entering into a corrective phase. However if the index holds at or above the USD 15,800 level it would support a buyers argument
- Technically bullish but has the potential to enter a corrective phase soon

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## Capesize Feb 21 (1 Month forward)



	Support	Resistance	Current Price	Bull	Bear
S1	12,761	R1	13,500	RSI above 50	
S2	11,756	R2			
S3	10,050	R3			

Source Bloomberg

### Synopsis - Intraday

- RSI is above 50
- Stochastic is above 50
- Price is between the 8 –21 period EMA's
- The A,B,C,D pattern did produce the upside continuation that we expected, with the futures going on to surpass our upside targets
- The futures are currently in a corrective phase having sold off over 25% in the last two days, near term support is at USD 12,761
- The current candlestick is currently a Doji warning of market indecision. Upside moves that trade above the USD 14,825 level would be considered as technically bullish
- Downside moves below the USD 12,761 level would be considered as deep and take the technical into a neutral phase. It is worth noting the intraday technical is already considered to be neutral
- The RSI is below 50 with the stochastic overbought, leaving the technical vulnerable to further tests to the downside

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## Capesize Q2 21 (Rolling QTR)



	Support	Resistance	Current Price	Bull	Bear
S1	11,754	R1	13,075	RSI above 50	Stochastic overbought
S2	11,205	R2	13,416		
S3	10,275	R3	14,625		

Source Bloomberg

### Synopsis - Intraday

- Price is between the 8-21 period EMA
- RSI is above 50 (58)
- Stochastic is overbought
- On the last report we highlighted the futures had entered a wave 3 on a higher time frame, and this proved to be correct
- The upside move held at the 50% retracement level resulting in an aggressive sell off with the futures closing below the previous 5 day closes, warning of technical weakness
- Price is now in the bullish support gap and between the 8–21 period EMA’s
- The upside move has created a 3 wave pattern that is now corrective, if the futures hold above the USD 11,754 level then it would support a buyers argument. If we trade below this level the pullback is considered as deep and the bull argument is weakened. However, Fractal support is at USD 10,275 meaning the futures would be considered as bullish (bullish/neutral if pullback is deep) until the futures had created a lower low in the market

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## Capesize Cal 22



	Support	Resistance	Current Price	Bull	Bear	
S1	13,842	R1	13,950	RSI above 50	Stochastic overbought	
S2	13,500	R2				14,500
S3	13,068	R3				14,692

### Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is above 50
- Stochastic is overbought
- On the last report we highlighted that the technical had entered a new bullish phase with a near-term upside target at USD 14,452. this level was surpassed.
- The futures pullback is considered as deep meaning the technical is considered as neutral bullish. Downside moves that trade below the USD 13,500 level would create a lower low and be considered as bearish
- Upside moves that fail at or below the USD 14,692 level remain vulnerable to further tests to the downside. Likewise, upside moves above the level would strengthen the bull argument
- Technically bullish to neutral with key support at USD 13,500 and resistance at USD 14,692