

FIS Capesize v Panamax Q2 21

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

Synopsis:

The Q2 Capesize v Panamax spread is starting to look technically oversold with the futures at Fibonacci support whilst two standard deviations from the linear regression line. The blue histogram is the Moving Linear Regression slope and which is in divergence, this is warning that we could be about to see a momentum slowdown and potential move to the upside.

The stochastic momentum index is oversold but the average line is heading lower, indicating upside moves could find selling resistance.

Both the 3 and 5 year seasonality charts are around USD 2,000 below the average value for the period. We can see that the average value does start to weaken around this period.

The technical is oversold but the stochastic momentum index is suggesting that upside moves should find selling resistance.

The seasonality charts are suggesting the spread is undervalued but upside moves could fail, as average values historically weaken at this time of year.

Verdict

Undervalued and could see a move high based on the technical and seasonality charts. Has the potential to resume a bearish trend after an upside correction.

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Capesize v Panamax Q2 Spread



Support	Resistance	Current Price	Bull	Bear
S1	56	R1	1,006	
S2	-305	R2	1,273	
S3	-455	R3	1,634	
		148		

Synopsis - Intraday

Source Bloomberg

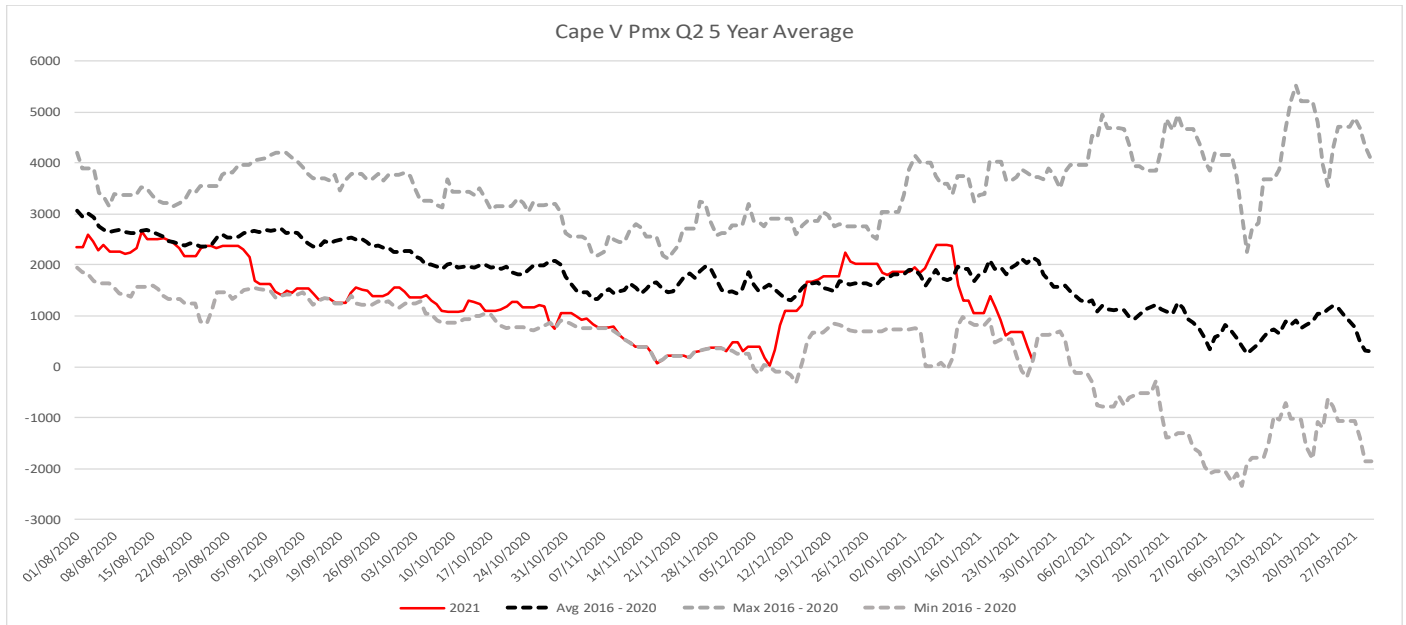
- Price is below the 8—21 period EMA's
- MLRS (Moving linear regression slope) showing a positive divergence
- Stochastic momentum index is oversold
- Price is two standard deviation from the auto regression bands
- Price is nearing technical support based off a Fibonacci extension at USD 56
- The spread is now 2 standard deviations from the linear regression band. We can see on the chart that two standard deviations has acted as a support and resistance to the spread
- The moving linear regression slope (Bloomberg study, blue histogram) is now in divergence with price. Not a buy signal it is a warning that we have the potential to see a momentum slowdown
- The stochastic momentum index (bottom window) is now in oversold territory. However, the slope of the moving average line (red line) is below 0 and in a bearish trajectory. Suggesting upside moves should be considered as countertrend and should in theory hold at the resistance zone

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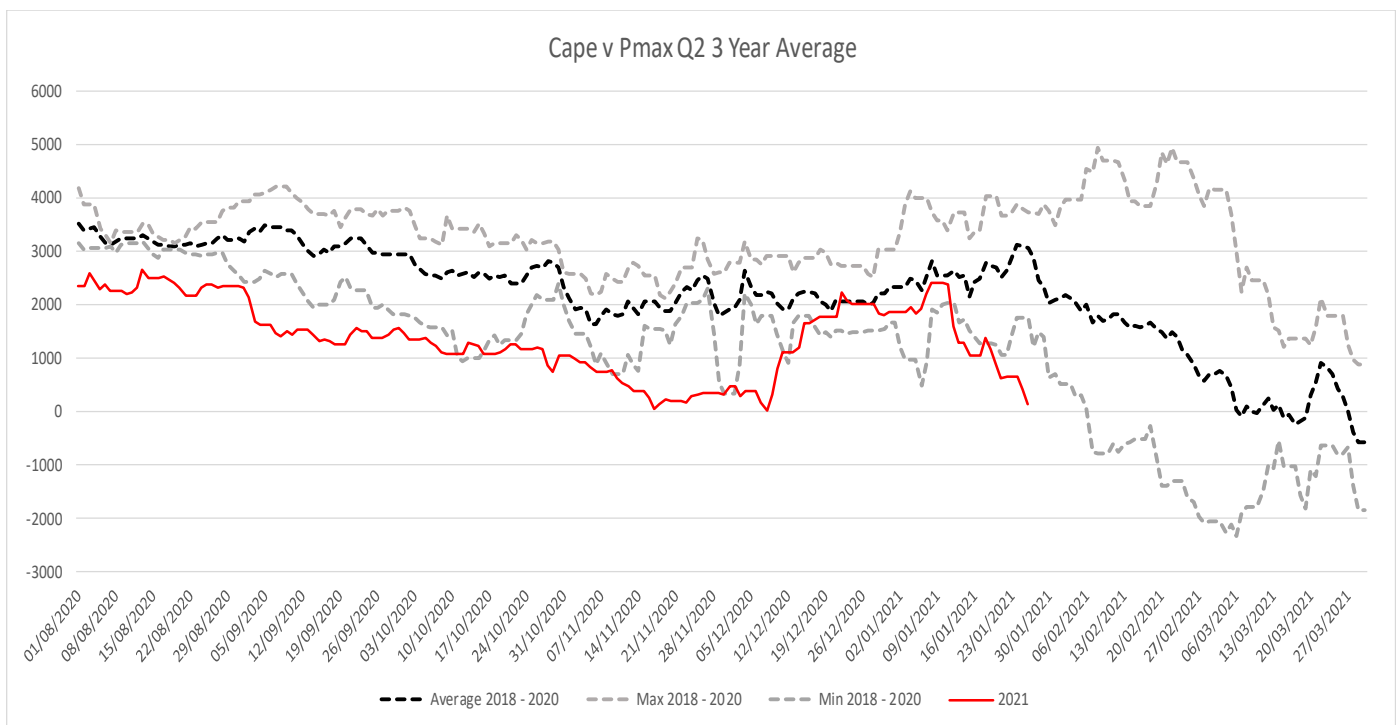
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Capesize v Panamax Q2 Spread 5—year average



Capesize v Panamax Q2 Spread 3—year average



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