

FIS Capesize Technical Report

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

Synopsis:

Index

The index failed at technical resistance as highlighted previously and is not 59% lower. Price and momentum are on key support levels, if we hold the nearest upside Fibonacci resistance is at USD 16,761 although the technical remains vulnerable to downside moves below USD 21,137 and neutral above. If support is broken the index will target the USD 9,300 the USD 9,650 support levels.

March 21

The trend is technically bearish but the futures are showing a positive divergence with the RSI warning we have the potential for a momentum slowdown. A close below the USD 8,875 level would put the futures below tomorrow's pivot point and warn of potential further weakness targeting the USD 7,625 low with further support at USD 7,280. A close (or open) above the USD 8,875 level would support a near-term buyers argument and above the USD 9,575 level the futures will have made a higher high.

Q2 21

The futures have made a higher high indicating the near-term trend has turned bullish. A rejection of the USD 13,625 resistance has resulted in a weak close, however the intraday technical would suggest the pullback could be countertrend. The futures need to trade above and hold above the USD 13,625 level for upside continuation. Downside moves below tomorrow's pivot point could see the futures test the USD 12,600 support.

Cal 22

The futures are technically bullish but have produced a bearish rejection candle today, this is warning of technical sellers in the market. Upside moves above the USD 14,950 level would be considered as bullish (Larry Williams) but above the USD 15,100 level the RSI has the potential to produce a negative divergence. Downside moves that hold above the USD 14,257 level would support a buyers argument

Happy Chinese New Year

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Capesize Index



Support	Resistance	Current Price	Bull	Bear
S1	R1	10,749	Oversold Stochastic	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below all key moving averages
- RSI is below 50 (32)
- Stochastic is oversold
- On the last report we noted that the index was at Fibonacci resistance with the RSI at 80, a level that had previously seen technical pullbacks. The index is now 59.3% lower.
- The index is now approaching the USD 10,295 support with the RSI approaching the 29 level. If the index and RSI support are broken it would signal downside continuation as this is a key RSI support. The index would then target USD 9,300 and potentially USD 8,350
- If the support holds then upside resistance starts at USD 16,761. However, upside moves that fail at or below the USD 21,137 resistance remain vulnerable to further tests to the downside. Above this level the technical moves into a neutral phase
- Technically bearish but approaching key support levels

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Capesize March 21 (1 Month forward)



Support		Resistance		Current Price	Bull	Bear
S1	7,625	R1	9,575	8,650	Stochastic oversold	RSI below 50
S2	7,280	R2	10,862			
S3	6,850	R3	11,862			

Source Bloomberg

Synopsis - Intraday

- RSI is below 50
- Stochastic is oversold
- Price is below the 8 -21 period EMA's
- The futures are in a bearish trending environment with price below the 8—21 period EMA's and the RSI below 50
- The RSI is on a technical support line with a positive divergence in play dating back to November. The divergence is not a buy signal, it is a warning that we have the potential to see a momentum slowdown
- The futures have made a higher high and higher low today, a close below USD 8,875 would leave the technical vulnerable to further tests to the downside. A close above this level (or open above) would support a near-term buyers argument
- Upside moves above the USD 9,575 level would create a higher high and support a buyers market.

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Capesize Q2 21



	Support	Resistance	Current Price	Bull	Bear
S1	13,175	R1	13,625	RSI above 50	
S2	12,600	R2	14,250		
S3	12,050	R3	14,625		

Source Bloomberg

Synopsis - Intraday

- Price is above the 8-21 period EMA
- RSI is above 50 (55)
- Stochastic is above 50
- The upside move in the futures has created a higher high with price above the 8—21 period EMA's indicating the futures have entered into bullish territory
- The upside move has failed to hold above the USD 13,625 resistance and is looking like it will close on/around tomorrow's pivot point at USD 13,291
- An opening below the USD 13,291 level would warn the technical is weakening with a near-term downside support/target at USD 12,600. However, the intraday upside moves is on the back of a positive divergence suggesting downside moves should be treated as countertrend at this point
- Upside moves above the USD 13,625 level would target the USD 14,250 then USD 14,625 level
- Technically bullish but a weak close is warning of technical sellers. The futures need to trade above and hold above the USD 13,625 level.

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Capesize Cal 22



	Support	Resistance	Current Price	Bull	Bear
S1	14,425	R1	14,837	RSI above 50	Stochastic overbought
S2	14,257	R2	15,100		
S3	14,124	R3	15,430		

Synopsis - Intraday

Source Bloomberg

- Price is Above all key moving averages
- RSI is above 50
- Stochastic is overbought
- The futures are in bullish territory with the RSI above 50 and price above the 8–21 period EMA's
- The upside moves has failed to hold with the market producing a bearish rejection candle.
- Downside moves that trade below the USD 14,625 level would warn the technical could be entering into a corrective phase. Likewise, upside moves that trade above the USD 14,950 high would be considered as bullish (Larry Williams)
- The RSI is above 50 but the stochastic is overbought, momentum is vulnerable based on the rejection candle.
- Downside moves below the USD 14,625 level would target the USD 14,350 level in the near-term.
- Price action is bullish above the USD 14,250 level and neutral below

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