

FIS Capesize Technical Report

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Synopsis:

Index

The index is above the 200 period MA with the RSI above 50 in bullish territory. 62 remains the key resistance having held last week, leaving the technical vulnerable to downside moves. A close on the RSI above this level would warn that momentum is strengthening and further support a bullish argument. Downside moves that close below the USD 18,684 level would target the 55 period MA at USD 16,865.

April 21

The RSI failed to hold above the 65 resistance for more than a couple of days, resulting in a technical pullback to the USD 19,365 support. Near-term support is at the base of the bullish gap at USD 20,325, below this level the futures will target the USD 19,365 level. Corrective moves lower that hold above USD 19,365 would support a higher timeframe buyers argument, meaning we have the potential to start a new bull cycle. The futures trend remains technically bullish, there are warning signs that momentum is weakening, however price remains above the bull support gap at this point, a close on the daily candle above the USD 22,208 level would imply that upside momentum is improving based on price.

Q2 21

The futures look to still be in the extended Elliott wave 3 that we highlighted last week. The technical pullback held at the USD 21,350 support but the upside move did not make a new high, this would suggest we remain in the extended wave 3 and still have the potential to trade above the USD 25,400 level. A close above the USD 23,427 level would imply that momentum is improving based on price. Downside moves below the USD 20,750 level will target the USD 20,100 and potentially the USD 18,404 support.

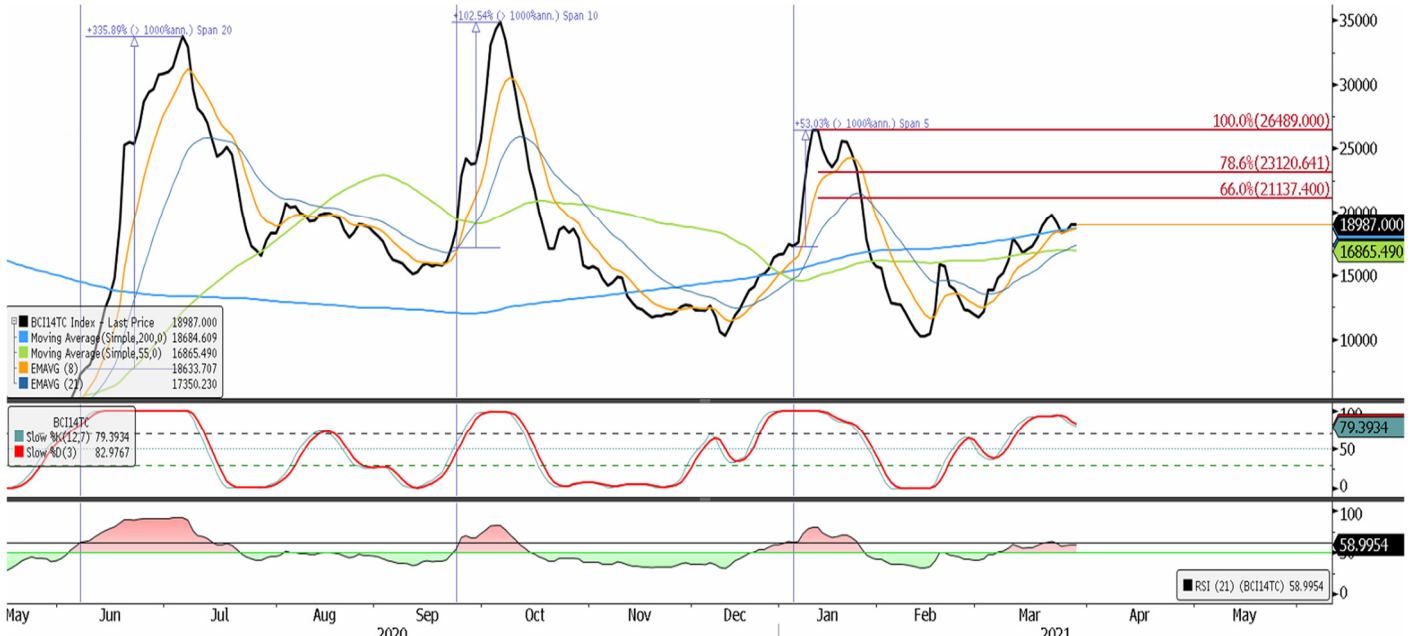
Cal 22

The longer-term trend remains technically bullish with the futures on an extended wave 3. Price is now in a corrective phase with downside moves that hold above the USD 15,826 level supporting a buyer's argument. Below this level the pullback is considered as deep and the technical phase as neutral. A close above the USD 17,091 level would suggest that momentum is increasing based on price, implying we could test the USD 17,325 and USD 17,625 resistance levels.

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Capesize Index



	Support	Resistance	Current Price	Bull	Bear
S1	18,684	R1	21,137	RSI above 50	Stochastic overbought
S2	17,913	R2	23,120		
S3	16,868	R3	26,489		

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's and the 200-period MA
- RSI is above 50 (59)
- Stochastic is overbought
- The index RSI failed at the 62 level resulting in a technical pullback
- Price is holding above the 200 period MA (USD 18,684), downside moves that close below this level will target the 55 period MA at USD 16,865
- The RSI is just below the 62 resistance level (59) with the stochastic overbought. If the RSI moves above the 62 resistance than the overbought stochastic will become less relevant, if the 62 resistance continues to hold then the index remains vulnerable to further tests to the downside
- The index remains bullish but vulnerable to further moves to the downside moves whilst the RSI is below the resistance level

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Capesize April 21 (1 Month forward)



Support	Resistance	Current Price	Bull	Bear
S1	R1	21,500	RSI above 50	
S2	R2			
S3	R3			

Source Bloomberg

Synopsis - Intraday

- RSI is above 50
- Stochastic is above 50
- Price is between the 8 –21 period EMA’s
- The upside move above the 65 level on the RSI held for only a couple of days before the futures entered into a corrective phase. On the last report we noted the Elliott wave cycle looked to be on an extended 5th wave, with the possibility that if we moved much higher it could potentially be a wave 3. However, the futures entered a corrective phase suggesting we were seeing an extending 5th.
- Downside moves that hold above the USD 15,265 level would support a buyers argument and open up the possibility of the futures starting a new bullish cycle. Below this level would leave the technical vulnerable to a more sustained corrective phase
- The futures are holding above a bullish window which the market might try and close, giving us a near-term support target at USD 20,325
- A close on the daily candle above the USD 22,208 level would warn that momentum was improving based on price

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Capesize Q2 21



	Support	Resistance	Current Price	Bull	Bear
S1	22,250	R1	24,700	RSI above 50	Stochastic overbought
S2	21,350	R2	27,373		
S3	20,100	R3	28,481		

Source Bloomberg

Synopsis - Intraday

- Price is between the 8-21 period EMA
- RSI is above 50 (60)
- Stochastic is overbought
- On the last report we highlighted that downside moves should be considered as countertrend as the futures look to be on a longer-term Elliott wave 3. The futures did pullback and held support but failed to make a new high. In theory, to signal wave 3 completion we should have traded above the USD 25,400 level before entering a corrective phase. This mean we could still be in a bullish wave 5 of the extended wave 3
- The futures remain above the bullish price gap (USD 22,250) which is considered a support zone until the gap is closed
- Upside moves that close above the USD 23,427 level would warn that momentum is improving based on price, leaving the technical open to test the USD 25,400 high
- Technically bullish with the wave 5 not making the new high, warning we could still be in a bull phase

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Capesize Cal 22



	Support	Resistance	Current Price	Bull	Bear
S1	16,584	R1	16,750	RSI above 50	
S2	16,262	R2			
S3	15,826	R3			

Synopsis - Intraday

Source Bloomberg

- Price is between the 8–21 period EMA's
- RSI is above 50 (58)
- Stochastic is above 50
- The 17,450 resistance held last week with the futures looking like they could be in a corrective wave 4 of the extended wave 3
- Downside moves that hold at or above the USD 15,826 level would support a buyers argument and warn we have the potential for a further test to the upside. Below this level the pullback is considered as deep and the technical phase neutral
- Upside moves that trade above the USD 17,325 level would break fractal resistance leaving the technical to target the USD 17,625 high
- The trend is technically bullish with the futures in a looking like they are in a counter trend corrective phase at this point