

FIS Capesize Technical Report

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Synopsis:

Index

The RSI has moved above 62 and the index has moved USD 4,000 higher. Price is now at technical resistance having produced a bullish 5 wave pattern warning of the potential for a momentum slowdown. However, based on previous performances by the index when the RSI goes above 62 there is the potential for it to trade as high as USD 29,000 in the near-term. Downside moves that hold at or above the USD 20,225 level would support a buyer's argument, below this level the pullback is considered as deep and the technical neutral.

May 21

Technically bullish we look to be on an Elliott wave 5 of this phase with a potential near-term upside target at USD 30,704. The new high means we have met the minimum requirement for wave completion, we also see a Sanko pattern (three gaps) which is considered an exhaustion pattern. Downside moves that trade below the USD 25,750 level would create a lower low in the market meaning the technical would be considered as corrective/bearish.

Q3 21

The futures remain on an extended wave 3 with a near-term upside target at the USD 26,350, further resistance can be found at USD 26,866 and USD 27,527. Downside moves below the USD 24,450 level would create a lower low in the market and warn we could be entering a corrective/bearish phase. Technically bullish, upside moves that trade above the USD 25,625 level would create a negative divergence on the intraday technical, warning of the potential for a momentum slowdown. Note the divergence is a warning and should not be considered as a sell signal.

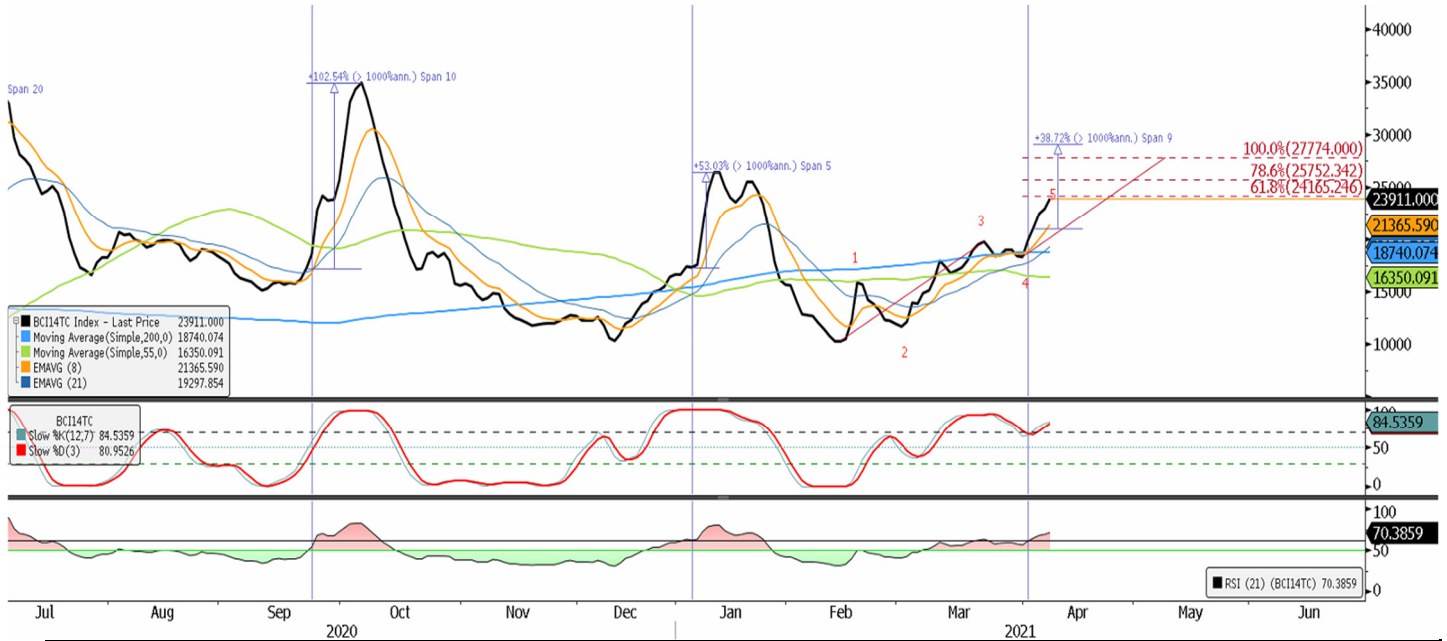
Cal 22

As highlighted last week the downside move looked to be countertrend and this has proven to be the case. The technical has now made a new high creating an intraday and daily divergence. Near-term upside targets are at USD 17,923 with key support at USD 17,040, downside moves that hold at or above this level would support a buyer's argument, below this level the pullback would be considered as deep and the technical phase neutral.

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Capesize Index



Support		Resistance		Current Price	Bull	Bear
S1	21,177	R1	24,165	23,911	RSI above 50	Stochastic overbought
S2	21,119	R2	25,752			
S3	20,225	R3	27,774			

Synopsis - Intraday

Source Bloomberg

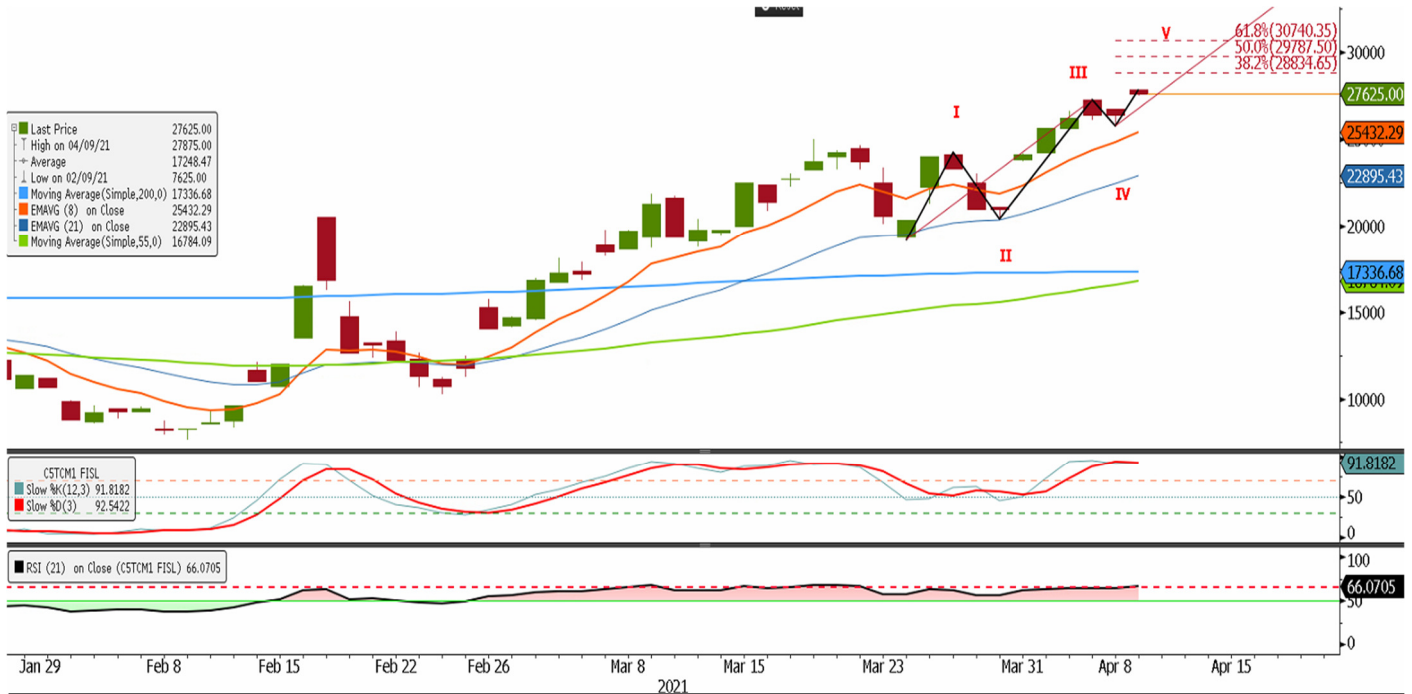
- Price is above the 8-21 period EMA's and the 200-period MA
- RSI is above 50 (70)
- Stochastic is overbought
- The RSI has now moved above the 62 level resulting in the index moving USD 4,000 higher
- Technically bullish, price is above all key moving averages supported by a bullish RSI
- The index is now showing a 5—wave pattern that started on the 12/02/21. Using a Fibonacci extension from the base of wave 1 to the high of wave 3 and projecting from the base of wave 4 we get a near-term upside target at USD 24,165 with further resistance up to USD 27,774. However, it is worth noting that on the previous 5 occasions that the RSI has moved above the 62 level the minimum upside move in the index has been 38.4%, indicating we have the potential to go as high as USD 29,000. Note: past performance is not a guarantee that the current move will create the same results, it is a guidance for what the potential move could achieve
- Downside moves that hold at or above the USD 20,225 level would support a buyers argument, below this level the pullback is considered as deep and the technical phase neutral
- Technically bullish with the index now approaching resistance.

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Capesize May 21 (1 Month forward)



Support		Resistance		Current Price	Bull	Bear
S1	27,500	R1	28,834	27,625	RSI above 50	Stochastic overbought
S2	26,400	R2	29,787			
S3	25,750	R3	30,740			

Source Bloomberg

Synopsis - Intraday

- RSI is above 50
- Stochastic is overbought
- Price is above the 8 –21 period EMA’s
- The downside move in the April held support resulting in a move higher. May futures now
- The futures remain in a bullish trending environment with price above the 8–21 period EMA’s and the RSI above 50
- Elliott wave analysis would suggest we are on the 5th wave of this phase that started on the 24/03/21. Based on the Williams approach we have resistance starting at USD 28,834 with a potential near-term upside target at the USD 30,740
- As highlighted in the morning tech we have a 3 gap pattern signalling potential exhaustion (Known as a Sanko pattern). Capes gap a lot, but this fits the small Elliott wave pattern highlighted, making it relevant.
- Downside moves below the USD 25,750 level would create a lower low and be considered as corrective/bearish

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Capesize Q3 21



	Support	Resistance	Current Price	Bull	Bear
S1	24,450	R1	25,500	RSI above 50	Stochastic overbought
S2	23,735	R2			
S3	22,625	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is above 50 (63)
- Stochastic is overbought
- On the last report we highlighted that the Q2 had not made a new high meaning we remained in a bullish wave 5 of an extended wave 3. this proved to be the case
- The Q3 -21 futures remain on an extended wave 3 with the futures testing the USD 26,250 high
- Price is above the 8–21 period EMA’s with the RSI above 50 signalling a bullish trending environment
- Near-term upside resistance/target is at USD 27,525 based off a small E-wave pattern that started on the 24/03/21 using the William’s approach
- Downside moves that trade below USD 24,450 level would create a lower low in the market warning the futures are entering a corrective/bearish phase
- Technically bullish with a potential upside target at USD 26,350, intraday momentum indicator will be in divergence above the USD 25,625 resistance

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Capesize Cal 22



	Support	Resistance	Current Price	Bull	Bear
S1	17,275	R1	17,676	RSI above 50	Stochastic overbought
S2	17,040	R2	17,800		
S3	16,700	R3	17,923		

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (64)
- Stochastic is overbought
- On the last report we highlighted the futures were technically bullish and looked to be in a countertrend move. This has proven to be the case with the futures trading USD 1,000 higher
- The futures have now entered a resistance zone with a potential near-term upside target at USD 17,923
- Downside moves that hold at or above the USD 17,040 level would support a bullish argument, below this level the pullback would be considered as deep and the technical phase neutral
- Intraday momentum indicators are now in divergence warning we have the potential to see a momentum slowdown soon