

FIS Capesize Technical Report

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Index

The index remains technically bullish with the current wave that started on the 31/03/21 greater in price and shorter in time than the previous bull wave. This would suggest we are seeing price acceleration and open the possibility that the move that started on the 01/03/21 is an extended 3rd wave. Downside moves that hold at or above the USD 21,898 level would support a bull argument, below this level the pullback is considered as deep and the technical phase neutral.

May 21

The futures remain technically bullish with the Elliott wave cycle looking like it is an extended wave 5 (there is an argument for a new bull cycle, but it is unclear now). Either way the intraday cycle is implying that downside moves should be considered as countertrend at this point. Downside moves that close below the USD 30,529 level would warn that we could be seeing a momentum slowdown based on price.

Q3 21

The futures traded higher, created a negative divergence, and traded up to and through our USD 27,525 target. Our Elliott wave analysis would suggest that we are nearing the final stages of the extended wave 3. Corrective moves lower that hold at or above the USD 25,486 level would support a bull argument, however below the level the pullback is considered as deep and the technical phase neutral, we highlight this as a key support as the Q3 technical looks more vulnerable than the May and Cal 22. This would also warn that we could be in the early stages of a corrective wave 4 of the larger Elliott wave cycle.

Cal 22

The futures have traded through our resistance zone and look to be on an extended wave 3, this is based off the 1—hour technical which is showing a 7-wave pattern, suggesting we have a bull and bear wave to come. Downside moves that hold at or above the USD 17,465 level would support a bull argument, below this level the technical phase is considered as neutral.

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Capesize Index



Support	Resistance	Current Price	Bull	Bear
S1	R1	28,830	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

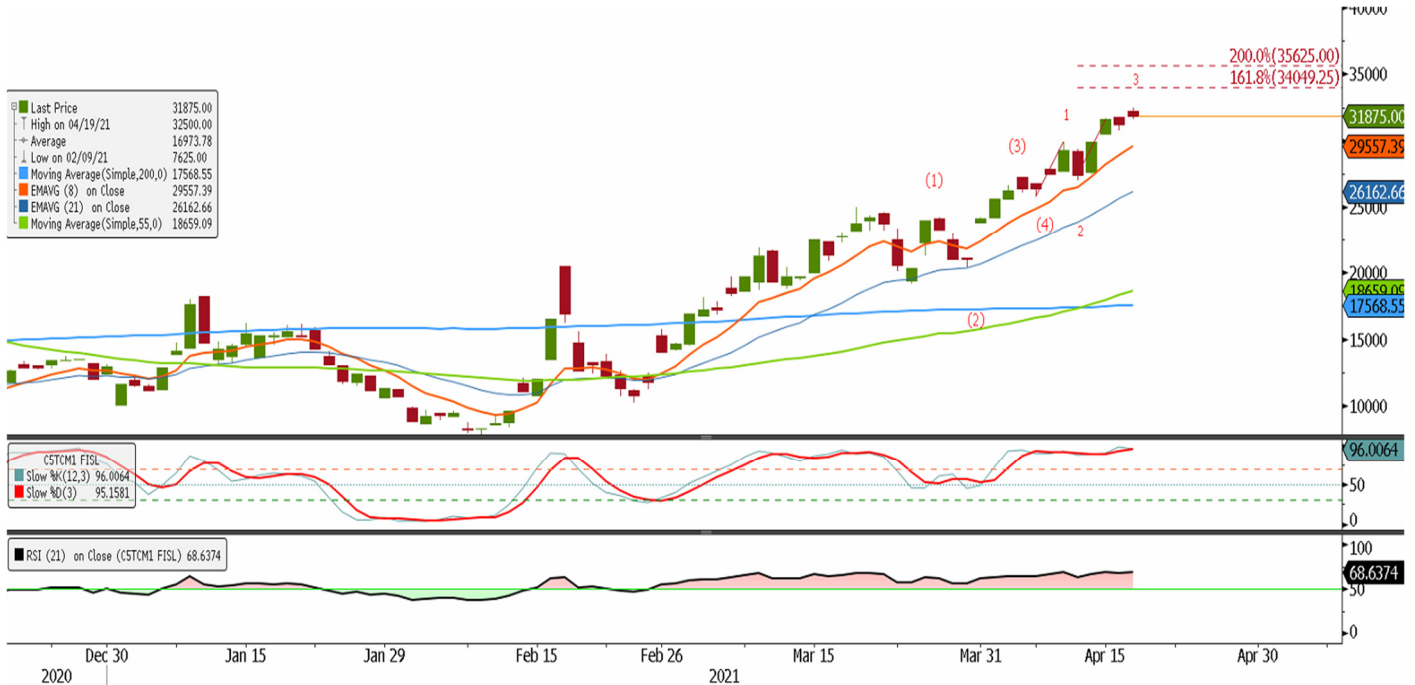
- Price is above the 8-21 period EMA's and the 200-period MA
- RSI is above 50 (78)
- Stochastic is overbought
- The technical remains in bullish territory having moved around USD 7,500 since the RSI went above the 62 level
- The current upside wave is greater in price and shorter in time than the previous bull wave. This would suggest price acceleration and warn that the bull move that started the 01/03/21 could in fact be an extended wave 3, indicating downside moves should be considered as countertrend at this point
- Corrective moves lower that hold at or above the USD 21,898 level would support a buyers argument, below this level the pullback is considered as deep and the technical phase neutral
- The RSI is in divergence warning we have the potential for a momentum slowdown; However, currently at 73.58, above 80.264 the divergence will have failed
- Technically bullish with price and time gaining in momentum. The futures now need to see the RSI above USD 80.26 for upside continuation

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Capesize May 21 (1 Month forward)



Support	Resistance	Current Price	Bull	Bear
S1	R1	31,575	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Source Bloomberg

Synopsis - Intraday

- RSI is above 50
- Stochastic is overbought
- Price is above the 8 –21 period EMA's
- The futures have traded above our USD 30,740 resistance meaning the futures have either started a new bull phase or we are seeing an extended wave 5. What the Elliott wave is suggesting is that downside moves should be considered as countertrend at this point.
- The RSI is now making higher highs on the daily technical meaning it is no longer in divergence; however, the intraday 4—hour chart is now in divergence warning that we have the potential to see a technical pullback
- Upside moves that trade above the USD 34,049 in this phase would mean the current move is 161.8% longer than the previous bull wave, confirming it is bullish impulse
- Technically bullish, intraday momentum indicators are warning we could enter a corrective/countertrend move

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Capesize Q3 21



	Support	Resistance	Current Price	Bull	Bear
S1	26,439	R1	27,525	RSI above 50	Stochastic overbought
S2	26,034	R2	28,355		
S3	25,486	R3	28,699		

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is above 50 (65)
- Stochastic is overbought
- On the last report we highlighted that the futures looked to entering a bullish wave 5 with a potential upside target at USD 27,525. The futures traded through this level today with price now USD 750 off the high and back below the resistance level
- The daily RSI is in divergence warning of the potential for a momentum slowdown. The stochastic is overbought
- Downside moves that hold at or above the USD 25,486 support would support a buying argument, below this level the pullback is considered as dep and the technical phase neutral
- The longer-term trend is considered as technically bullish. Intraday wave analysis is warning we could be near completion of the extended wave 3. If this is the case then we could be entering into a corrective wave 4 within the larger Elliott wave cycle. USD 25,486 is a key support as both the May and Cal 21 would suggest there is still potential upside in the near-term whereas the Q3 is looking vulnerable

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Capesize Cal 22



	Support	Resistance	Current Price	Bull	Bear
S1	18,090	R1	19,250	RSI above 50	Stochastic overbought
S2	17,825	R2	19,842		
S3	17,465	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (70)
- Stochastic is overbought
- No downside move since the last report with the RSI still in divergence. The futures have traded through our resistance zone in what now looks like an extended wave 3, this would suggest that we have the potential for further upside moves. This is based on 7 waves on the intraday 1-hour chart suggesting there is two more waves to come (1 bear—1 bull)
- Downside moves that hold at or above the USD 17,465 would support a buyers argument, below this level the pullback is considered as deep and warn that the technical is entering a corrective phase
- Technically bullish with a minor divergence: note the divergence is a warning not a sell signal