

FIS Capesize Technical Report

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Index

The index remains technically bullish with price above all key moving averages supported by the RSI that continues to hold above the 50 level. The current wave is now USD 261.8% longer than the previous wave, making this a natural point of resistance, this would also indicate the current wave is bullish impulse and suggest downside moves should be considered as countertrend at this point. A close below the USD 35,051 level would warn that the technical is weakening based on price. Key support for market bulls is at USD 25,293, as below here the technical goes from bullish to neutral.

May 21

Technically bullish and in trend, the Elliott wave looks to be on a wave 3 of this phase. Downside moves that close below the USD 35,766 level would warn that momentum was weakening based on price, meaning the technical could be about to enter a corrective phase. Potential upside target for this wave is at USD 43,040, as this would be 161.8% the length of the previous wave. Market buyers will not want to see a technical pullback below the USD 26,085 level as it would take the technical into a neutral phase and warn of the potential for cycle failure.

Q3 21

The futures remain in a bullish technical environment above all key moving averages with the RSI above 50. Intraday wave analysis would suggest we have potentially started a new bullish cycle indicating upside continuation, with a potential near-term target at USD 32,526. Downside moves that close below the USD 27,947 level would warn that momentum is weakening based on price. However, corrective moves lower that hold at or above the USD 27,440 level would support a bull argument, below this level the pullback would be considered as deep and the technical phase neutral.

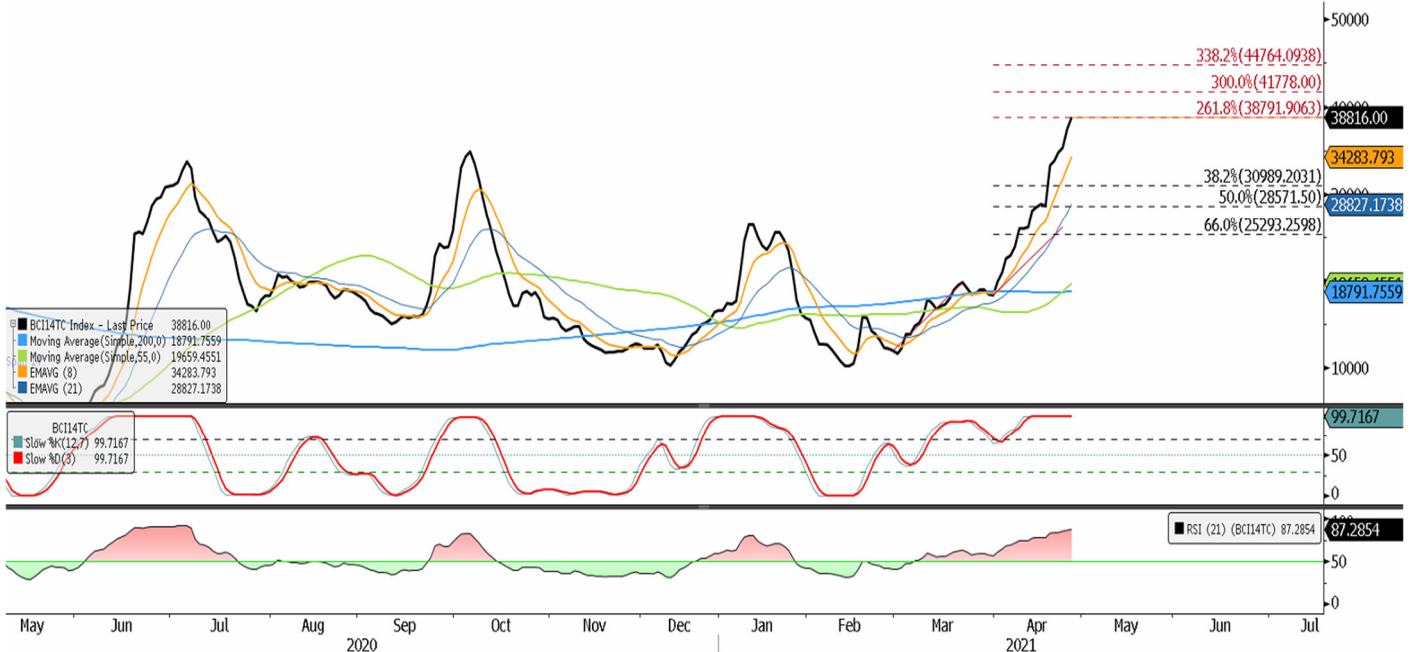
Cal 22

The futures look to have completed the extended wave 3 on the intraday technical and entered bullish impulse wave 5. The daily upside target is around the USD 20,200 level; however, using the Williams approach on the intraday cycle we have a potential upside target at USD 20,659. It is important to not we have now achieved the minimum requirement for cycle completion within this phase.

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Capesize Index



Support	Resistance	Current Price	Bull	Bear
S1	R1	38,816	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 (87)
- Stochastic is overbought
- On the last report we noted the price acceleration that suggest we could be on an extended wave 3 rather than a wave 5. This has proven to be the case with the index now USD 10,000 higher. This also means the futures have now moved USD 18,000 since the RSI broke above the 62 level
- The index has traded through our resistance levels with the current wave now 261.8% the distance of the previous wave, meaning we are entering a secondary resistance zone
- Downside moves that close below the USD 35,051 level would warn the technical is weakening based on price. Further confirmation the technical is weakening would come from a close below the USD 33,031 level
- Corrective moves lower that hold at or above the USD 25,293 would support the longer-term bull argument, below this level the pullback would be considered as deep and the technical phase neutral



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Capesize May 21 (1 Month forward)



Support		Resistance		Current Price	Bull	Bear
S1	31,735	R1	39,559	38,500	RSI above 50	Stochastic overbought
S2	29,337	R2	41,300			
S3	26,085	R3	43,040			

Source Bloomberg

Synopsis - Intraday

- RSI is above 50
- Stochastic is overbought
- Price is above the 8 –21 period EMA’s
- Price is in a bullish trending environment with the futures above all key moving averages
- The current bull wave is now 138.2% longer than the previous wave, indicating we are entering a resistance zone. If this is a bullish extended Elliott wave 3 then we have a potential upside target as high as USD 43,040
- A close on the daily technical below USD 35,766 would warn that momentum is weakening based on price
- Corrective moves lower that hold at or above USD 26,085 would support a bullish argument, below this level the pullback is considered as deep and the technical phase neutral
- Elliott wave analysis would suggest this is a bullish impulse wave 3 meaning downside moves should be considered as countertrend; however if the USD 26,085 support is broken it would be into question the bullish wave count
- Technically bullish but currently rejecting the USD 39,559 resistance

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Capesize Q3 21



	Support	Resistance	Current Price	Bull	Bear	
S1	28,413	R1	29,250	RSI above 50	Stochastic overbought	
S2	28,000	R2				30,349
S3	27,440	R3				32,526

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is above 50 (71)
- Stochastic is overbought
- On the last report we noted that the Q3 looked potentially vulnerable due to daily and intraday divergences with the futures rejecting resistance. We highlighted USD 25,486 as a key support as both the May and Cal 22 were signalling potential further upside. The downside move held at USD 26,250 with the futures resuming the bull trend. The divergence on both timeframes has now failed
- Lower timeframe wave analysis would suggest we had an Intraday Elliott wave cycle complete on the 21/04/21 with the futures now going on to make a higher high in the market. This would suggest either a wave extension or a new bull cycle (or a new bull cycle that will eventually become part of a wave extension on a higher timeframe), either way it is currently signalling upside continuation with downside moves considered as countertrend. Resistance is at USD 29,676, USD 30,349 with a potential upside target at UD 32,526 for this phase.
- Downside moves that close below the USD 27,947 level would warn that momentum is weakening based on price warning we could be about to enter a corrective phase and below USD 27,440 the technical would be considered as neutral

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Capesize Cal 22



	Support	Resistance	Current Price	Bull	Bear
S1	18,584	R1	19,842	RSI above 50	Stochastic overbought
S2	18,225	R2	20,207		
S3	17,737	R3	20,468		

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (73)
- Stochastic is overbought
- On the last report we noted the futures were on a wave extension based on seven waves and not nine or 5 on the intraday 1—hour . The divergence was minor and is no longer in play, the futures are still in the same bull wave with no significant pullback
- The RSI continues to make new highs with the price above all key moving averages, supporting a bullish trending environment
- Downside moves that close below USD 19,268 would warn that momentum is weakening based on price; however, corrective moves lower that hold above the USD 17,737 level would support a bullish argument
- The technical remains bullish with price looking like it has completed the extended wave 3 and entered a bullish impulse wave 5. Using the Williams approach we now have a potential upside target of USD 20,659 for this phase