

# FIS Capesize Technical Report

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## Index

Having broken fractal resistance at USD 32,825 to enter bullish territory the technical has remain in a corrective phase. The RSI is neutral with the stochastic overbought, momentum is warning the technical is vulnerable to further tests to the downside. Based on a lower high and a lower low we are potentially looking at a 3-wave A, B, C corrective pattern making USD 24,937 a key support to follow. If support holds the technical remains in bullish territory, if broken it is considered as neutral based on the deep pullback.

## Aug 21

The roll has taken the technical from bearish to neutral. Price opened below the USD 40,250 daily pivot, meaning the futures are coming under pressure. However, momentum is warning we have the potential for a move to the upside soon with the RSI looking like it is about to produce a bullish hidden divergence. Key support is at USD 33,240, downside moves that hold above this level would support a bull argument. Technically corrective we are seeing warning signs from the momentum indicators that we could find buying support soon.

## Q4 21

The futures remain in a bullish trending environment having recently made a new high. Price has produced a negative divergence on the new high, resulting in the futures trading below the daily pivot for the last 3 days, indicating a corrective pullback is in play. A hidden bullish divergence (RSI making a lower low, price is not) is implying that the underlying price remains supported at this point, warning we are vulnerable to a test to the upside. Downside moves that trade below the USD 33,000 level will target the USD 30,800 support.

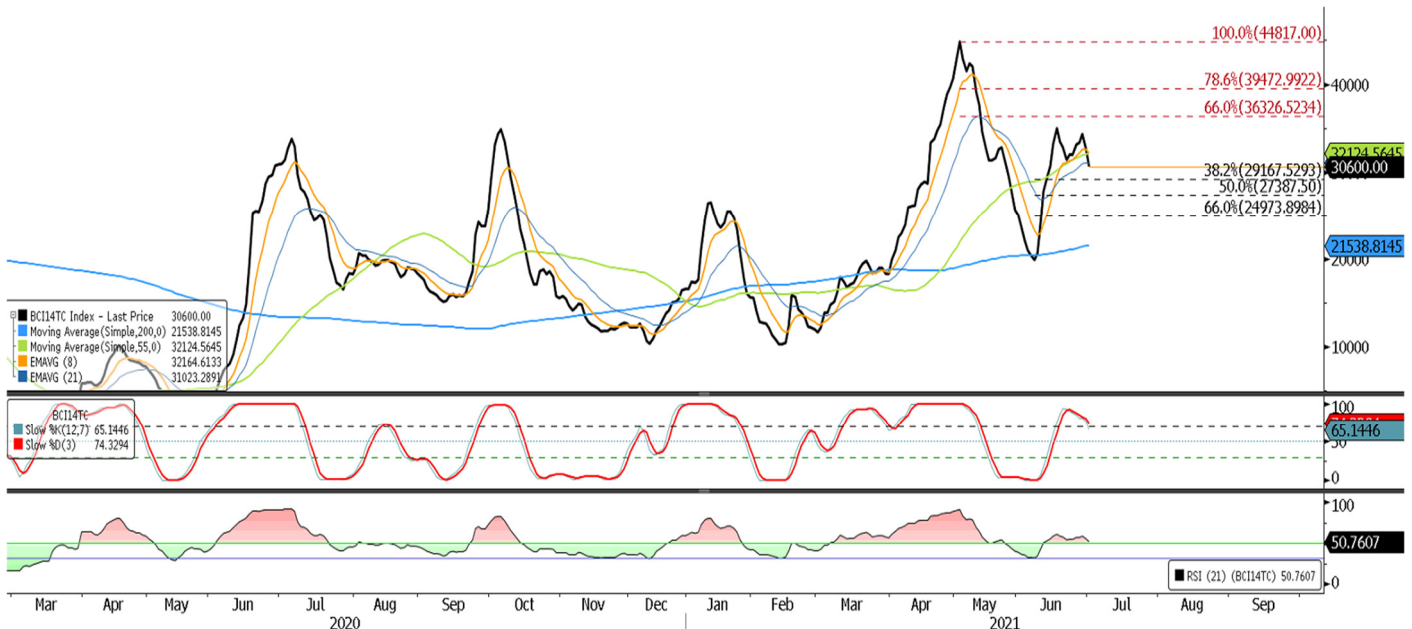
## Cal 22

Technically bullish and in trend the futures have made a lower high suggesting we could see a 3-wave corrective phase. Downside moves that trade below the minor fractal support at USD 23,500 would warn the USD 22,299 support could be tested. Corrective moves that hold this level will support a bull argument, below this level the technical is considered as neutral.

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## Capesize Index



Support		Resistance		Current Price	Bull	Bear
S1	29,167	R1	34,299	30,600	RSI above 50	Stochastic overbought
S2	27,387	R2	34,930			
S3	24,973	R3	36,326			

### Synopsis - Intraday

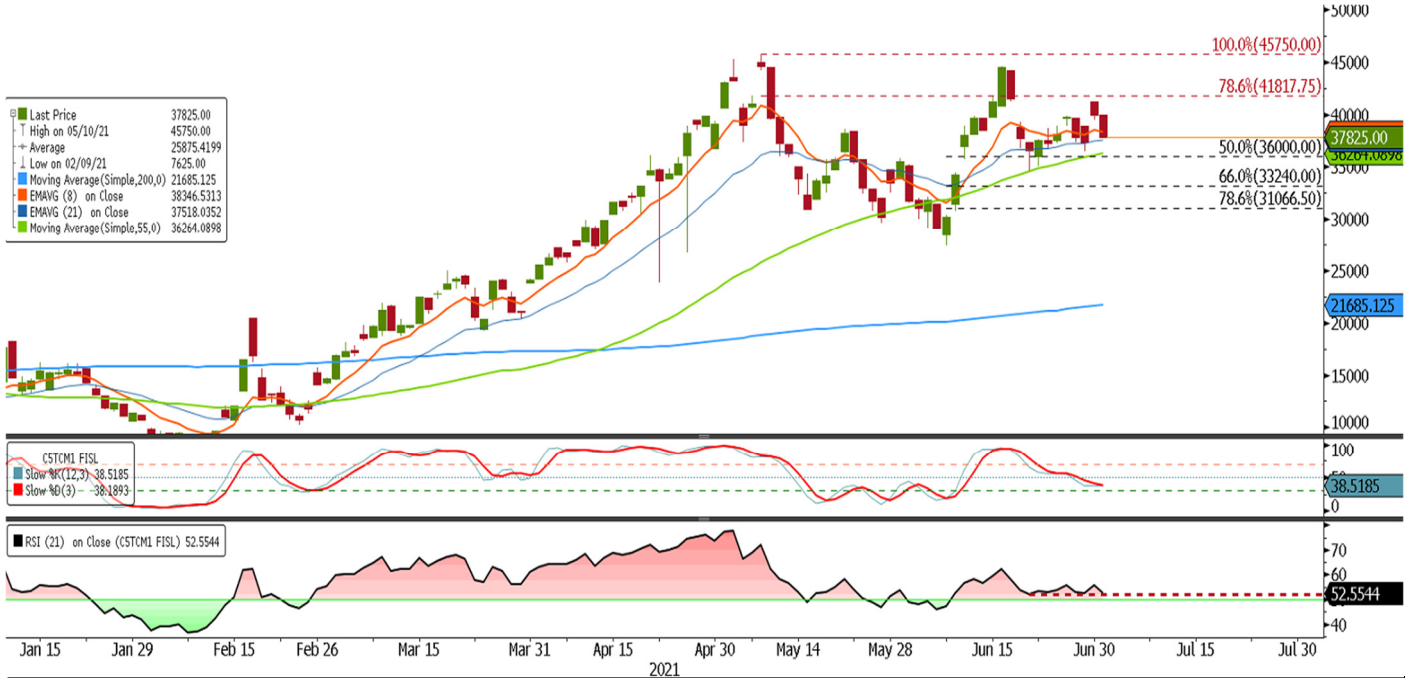
Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is at 50 (50)
- Stochastic is overbought
- Price remains in a corrective phase since the last report having previously making a higher high above the USD 32,825 resistance
- Downside move that hold at or above the USD 24,973 level would support a bull argument, below this level the pull-back is considered as deep and the technical phase neutral
- Upside moves above USD 33,296 would indicate that momentum is improving based on price, whilst a move above the USD 34,930 resistance would create a higher high, further supporting a bull argument
- Since the 17/06/21 the index has made a lower high and broken a minor fractal support suggesting we could be looking at a 3-wave A, B, C corrective pattern, making the USD 24,973 support the key level in the technical

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## Capesize Aug 21 (1 Month forward)



Support		Resistance		Current Price	Bull	Bear
S1	36,000	R1	41,817	37,825	RSI above 50	
S2	33,240	R2	44,625			
S3	31,066	R3	45,750			

Source Bloomberg

### Synopsis - Intraday

- RSI is above 50 (52)
- Stochastic is below 50
- Price is between the 8–21 period EMA's
- The roll created an upside move that took the technical into neutral territory from bearish. Price has opened below the daily pivot point signalling intraday weakness, resulting in the futures trading between the 8-21 period EMA's.
- The RSI is above 50 with the stochastic nearing oversold territory, momentum is warning the technical is vulnerable to further tests to the upside
- If the RSI goes below 52.10 and price is holding above 34,500, then we will have a small bullish hidden divergence in play (RSI 52.55 Aug 37,825 , we are very close to a divergence). The divergence is not a buy signal but it does warn we have the potential to see a momentum slowdown
- Corrective moves lower that hold at or above USD 33,240 will support a bull argument, below this level the technical is considered as neutral. This would also warn that the USD 31,066 and USD 27,325 support levels could be tested
- Technically in a corrective phase, we have a few momentum signals warning downside move could soon slowdown

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## Capesize Q4 21 (rolling front quarter)



	Support	Resistance	Current Price	Bull	Bear
S1	33,000	R1	36,750	RSI above 50	Stochastic overbought
S2	30,800	R2	38,411		
S3	27,250	R3	41,450		

### Synopsis - Intraday

Source Bloomberg

- Price is between the 8-21 period EMA
- RSI is above 50 (60)
- Stochastic is overbought
- Having made a higher high the futures created a small negative divergence in the market warning of the potential for a momentum slowdown. Price is between the 8-21 period EMA's with the RSI above 50, indicating the longer-term trend is considered as bullish. However, the futures have now entered into a technical pullback with price trading below the daily pivot point for the last 3 consecutive days
- Corrective moves below the USD 33,000 level will create a lower low in the market, warning the USD 30,800 support could be tested
- Upside moves above the USD 36,750 level would warn that the futures could test the USD 38,411 and USD 41,450 resistance levels
- The RSI is above 50 with the stochastic in overbought territory; however, the RSI is making a new low whilst price is not, this is known as a hidden divergence and warns that there remains an underlying strength in the futures at this point, suggesting we could see a momentum slowdown

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## Capesize Cal 22



	Support	Resistance	Current Price	Bull	Bear
S1	23,647	R1	24,450	RSI above 50	Stochastic overbought
S2	23,075	R2			
S3	22,299	R3			

### Synopsis - Intraday

Source Bloomberg

- Price is between the 8—21 period EMA's
- RSI is above 50 (61)
- Stochastic is overbought
- The upside move in the futures failed to trade above the USD 25,500 level meaning the futures have made a lower high in the market. Downside moves below the minor fractal support at USD 23,500 would indicate the futures could produce a bullish A, B, C corrective pattern, making the USD 22,299 the key support to follow
- Corrective move that hold above the USD 23,500 or 22,299 levels will leave the technical vulnerable to further tests to the upside. Corrective moves below USD 22,299 would be considered as deep into the last bull wave, meaning the intraday technical is considered as neutral
- The longer-term trend is still considered as bullish with the futures looking like they are in a 3 wave corrective phase.