

# FIS Capesize Technical Report

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## Index

The index traded above our near-term upside targets but held below the USD 51,559 resistance. Technically bullish we look to be in the early stages of a corrective phase; however, price does remain above all key moving averages with the RSI at 71.5. Historically, on six of the last seven occasions the RSI moved below 75 the futures have traded below the 55 period moving average, the MA is currently 35,520 but should move higher over the coming days.

## Oct 21

The roll into October means the futures have entered a corrective phase. Price is below the 21-period EMA but above the 55-period MA, corrective moves that hold at or above the USD 38,435 level will support a bull argument, below this level the pullback will be considered as deep and the technical phase neutral. The futures are now around a USD 8,000 discount to the index which has entered a corrective phase, if momentum on the index slows down then the paper will be vulnerable to a test to the upside. USD 41,416 is currently pricing as tomorrows pivot point (this could change before close, see E.U close report for final figure), a close above this level will have market buyers looking to close the bearish gap, giving an upside target at USD 46,500.

## Q4 21

Technically corrective there is a bullish Gartley pattern in play on the back of the 3-wave pattern highlighted on the chart. If the pattern holds than we have the potential to test the USD 37,875—USD 38,250 resistance zone, if price trades below the USD 35,000 level, then we target the USD 34,122 support in the near-term.

## Cal 22

Bullish neutral on the last report the technical remains unchanged. The latest upside move has failed to make a new high with price moving USD 787 lower today. Momentum is warning the technical is vulnerable to further tests to the downside, meaning it is important for market bulls to keep the RSI around or above the 50 level as the stochastic is overbought. Upside moves above the USD 25,500 level have the potential to create a negative divergence with the RSI, not a sell signal it does warn of the potential for a momentum slowdown.

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## Capesize Index



	Support	Resistance	Current Price	Bull	Bear
S1	42,241	R1	49,089	RSI above 50	Stochastic overbought
S2	39,390	R2			
S3	35,524	R3			

### Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is at 50 (71)
- Stochastic is overbought
- The RSI broke the 64-resistance level resulting in the index moving USD 13,255 higher
- Price is above the 8-21 period EMA's with the RSI above 50, supporting a bull argument. However, the close below USD 50,523 signals that momentum is weakening based on price, warning the index is potentially in the early stages of a corrective phase
- Downside moves below USD 42,241 will target the USD 39,390 and USD 35,524 support levels. Corrective moves lower that hold above USD 35,524 will support a bull argument, below this level the pullback is considered as deep and the technical phase neutral
- The trend is technically bullish but price created a negative divergence above USD 44,817, Warning of the potential for a momentum slowdown. The index looks to be in the early stages of a corrective phase but remains above all key moving averages at this point

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## Capesize Oct 21 (1 Month forward)



	Support	Resistance	Current Price	Bull	Bear
S1	40,875	R1	46,500	RSI above 50	
S2	38,435	R2	48,175		
S3	36,513	R3	52,798		

Source Bloomberg

### Synopsis - Intraday

- Price is below the 8-21 period EMA's
- RSI is at 50 (49.76)
- Stochastic is below 50
- As noted previously momentum warned of the potential for a near-term corrective pullback, however if the index RSI broke 64 then support levels were expected to hold. The pullback was shallow and lasted two days before trading up to a USD 48,500 high
- Price has rolled into October creating a bearish gap in the market, resulting in the futures entering into a corrective phase. Price is now testing the USD 40,875 Fibonacci retracement with further support at the 55 period MA at USD 39,323.
- Corrective moves lower that hold at or above the USD 38,435 level will support a bull argument, below this level the pullback is considered as deep and the technical phase neutral
- Tomorrow's pivot is currently at USD 41,416, upside moves that close above this level would warn the USD 46,500 (top of the resistance gap) could be tested

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## Capesize Q4 21



	Support	Resistance	Current Price	Bull	Bear
S1	35,695	R1	35,750	RSI above 50	
S2	35,000	R2			
S3	34,122	R3			

### Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA
- RSI is at 50 (50)
- Stochastic is above 50
- Bullish but in consolidation on the last report, the upside move above the USD 36,750 level resulted in price trading to a high of USD 38,250. Price has opened lower and traded lower with the futures now on the USD 35,695 support, the RSI is at 50 with the futures below the 8-21 period EMA's
- The futures have made a lower low meaning we are considered as corrective, below USD 35,000 the futures will be considered as bearish
- On the chart we highlight a 3 wave corrective pattern that initially held at the USD 36,241 (61.8% Fibonacci retracement) with price now testing the USD 35,695 support level (78.6% retracement). This is known as a bullish Gartley pattern and warns we have the potential to see an upside move; however, if we trade below the USD 35,000 low then we target the USD 34,122 support level
- Upside moves above the USD 37,875 level will break fractal resistance and warn the USD 38,250 high could be tested

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## Capesize Cal 22



Support	Resistance	Current Price	Bull	Bear
S1	R1	24,087	RSI above 50	
S2	R2			
S3	R3			

### Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA’s
- RSI is above 50 (51)
- Stochastic is above 50
- Technically neutral on the last report the futures traded to the upside but failed to create a new high in the market. Price is below the 8-21 period EMA’s with the RSI at 51
- The near neutral RSI with the stochastic overbought is warning the futures have the potential for a further test to the downside. However, if the RSI can hold above 50 then the overbought stochastic is considered as less relevant
- Upside moves above the USD 25,500 level have the potential to create a negative divergence, warning we could see a momentum slowdown
- Having previously traded below the USD 22,299 support the futures entered a neutral bullish phase. Having failed to make a new high the technical remains unchanged with key support at USD 20,650 and resistance at USD 25,500

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