

FIS Capesize Technical Report

info@freightinvestor.com | www.freightinvestorservices.com | (+44) 207 090 1120

Index

Price continues to move higher with index above all last week's resistance levels. The upside move is also now longer than 161.8% of the move in 2020, suggesting the 2021 move is an extended wave-3 of an Elliott wave cycle. The RSI has made a new high indicating corrective moves should be considered as countertrend at this point. Key support is at USD 54,240, price is bullish above and neutral below.

Oct 21

The Roll into November left the futures heavily discounted, however the futures held the key support at USD 46,750, keeping the technical in bullish territory. Intraday Elliott wave analysis for the phase that started on the 06/09/21 would suggest that the futures should target the USD 65,344 level in the near-term. Downside moves that hold above the USD 51,911 level would support a bull argument, below this level would warn the USD 47,500 fractal support could be tested.

Q4 21

We had previously highlighted that we were on a bullish wave-5 of this phase. However, the strength of the upside move has created a new high on the RSI, implying we are looking at an extended wave-3 on the cycle that started on the 06/09/21. Downside moves should be considered as countertrend with key support at USD 52,906, below this level the technical is considered as neutral/bullish. Only below USD 48,208.5 is the technical considered as bearish.

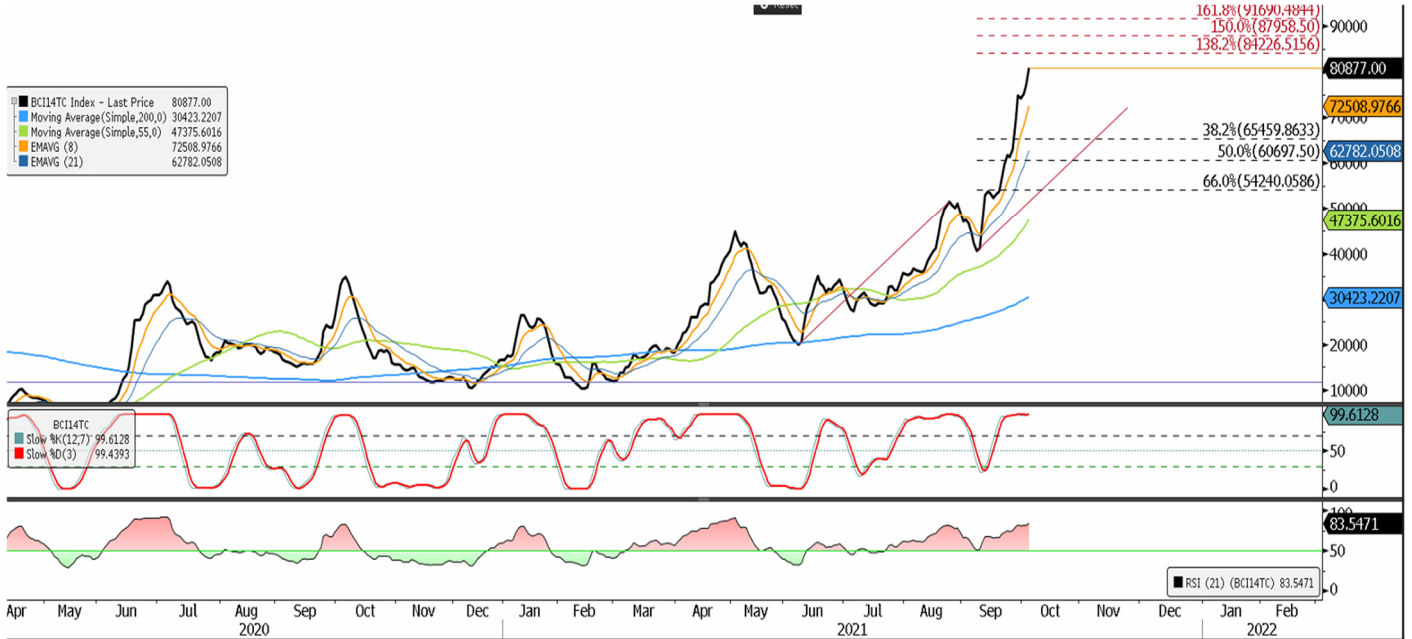
Cal 22

Like the Q4 the futures look to be on an extended wave-3 and not a wave-5 based on the strength of the current upside moves, above the USD 25,851 level would support a wave -3 theory. Based on the intraday wave count the base of the current wave-3 looks to be at USD 23,350 meaning corrective moves below USD 25,016 would leave the technical neutral/bullish, only below USD 23,350 will it be considered as bearish.

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Capesize Index



Support	Resistance	Current Price	Bull	Bear
S1	R1	80,877	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

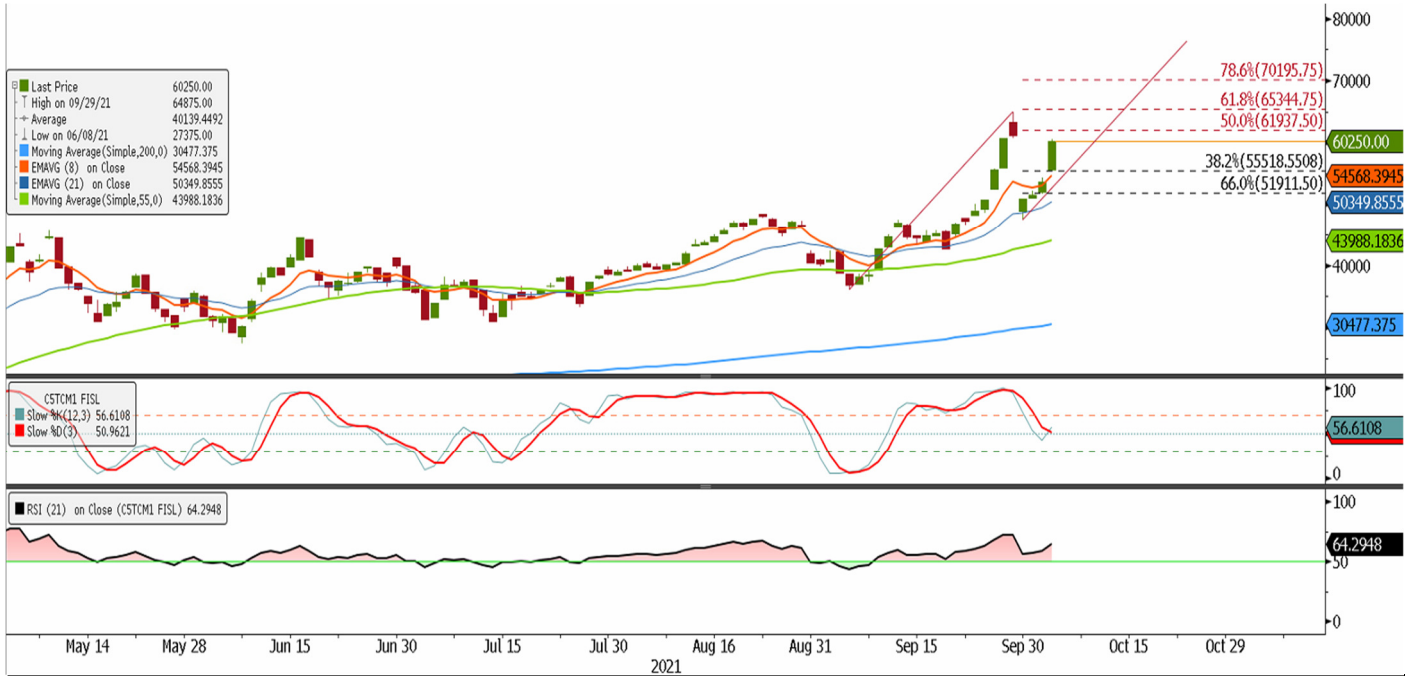
- Price is above the 8-21 period EMA's
- RSI is above 50 (83)
- Stochastic is overbought
- The index continues to move higher with price above all of our resistance levels from last week. Price is above all key averages supported by the RSI above 50
- Downside moves that hold at or above USD 54,240 will support a bull argument, below this level the pullback is considered as deep and the technical phase neutral
- Upside moves above USD 84,226 will target the USD 87,958—USD 91,690 resistance levels
- The RSI has just made a new high meaning there is no longer a negative divergence in play, this would also suggest downside moves should be considered as countertrend.

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Capesize Nov 21 (1 Month forward)



Support		Resistance		Current Price	Bull	Bear
S1	55,070	R1	61,937	60,475	RSI above 50	
S2	53,625	R2	65,344			
S3	51,665	R3	70,195			

Source Bloomberg

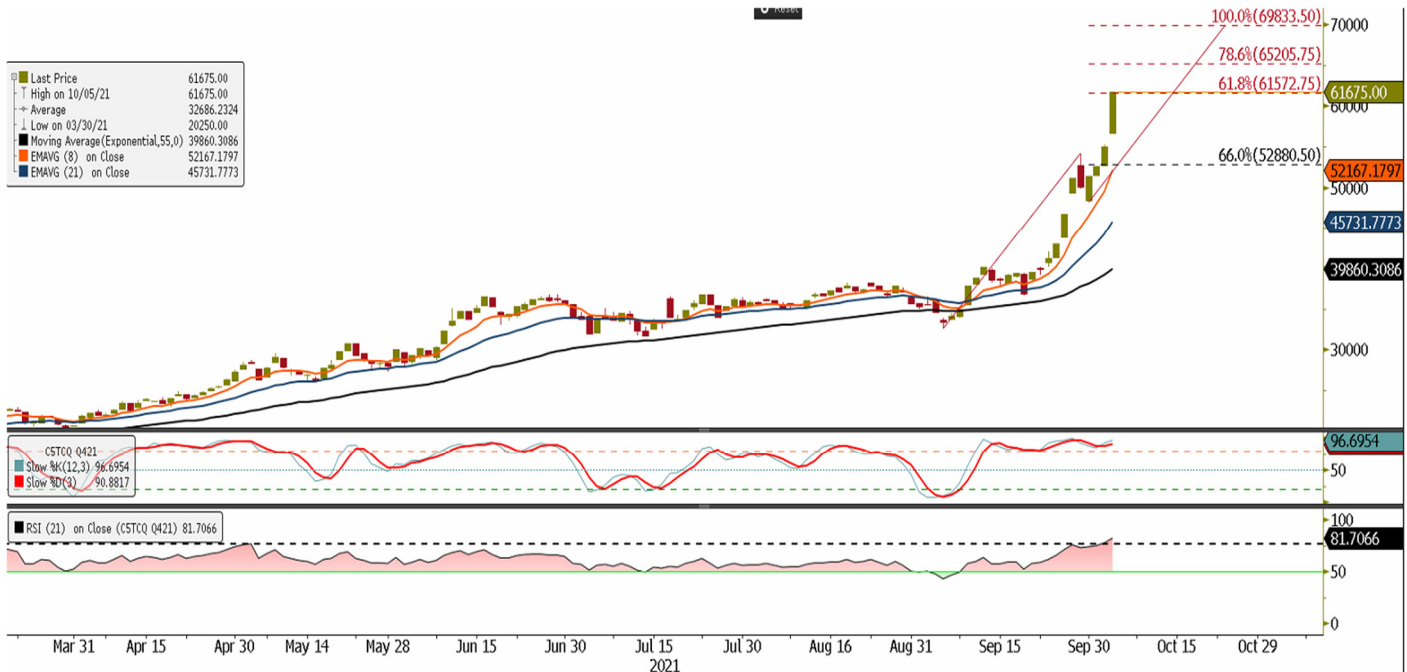
Synopsis - Intraday

- Price is above the 8-21 period EMA's
- RSI is above 50 (66)
- Stochastic is at 50
- The roll from October to November created a deep pullback in the futures, however price held above the USD 46,750 support keeping the futures in bullish territory. Price is above all key moving averages supported by the RSI above 50
- Downside moves that hold at or above USD 51,750 will keep the technical in bullish territory, below this level the futures are considered as neutral bullish.
- Momentum indicators are in bull territory, however the deep pullback created by the roll would suggest that upside moves above the USD 64,875 high could potentially create a negative divergence with price
- Intraday Elliott wave analysis would imply that we are on a bullish wave 5 of this phase (wave 30 with a near-term upside target at USD 65,344.

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Capesize Q4 21 (rolling front Qtr)



	Support	Resistance	Current Price	Bull	Bear
S1	56,584	R1	60,675	RSI above 50	Stochastic overbought
S2	55,012	R2			
S3	52,960	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is above 50 (81)
- Stochastic is overbought
- The futures have traded through our upside target of USD 50,814 by around USD 10,000. The trend remains technically bullish with price above all key moving averages
- The RSI has now made a new high meaning the negative divergence has failed. This would also suggest that the futures remain in an extended wave 3 of the phase that started on the 06/09/21
- Downside moves that hold at or above USD 52,096 will support a bull argument, below this level the technical is considered as bullish neutral. Only below USD 48,208.5 will the futures have created a lower low and be considered as bearish
- Price is currently on the USD 61,572 resistance (marginally above) if we hold above this level we target the USD 65,205 and USD 69,833 resistance levels
- The intraday Elliott wave cycle (86 min candle that started on the 06/09/21) is indicating an extended wave 3 (the pull-back on the 30/09/21 was not considered as deep enough). This would suggest that corrective moves lower should be considered as counter trend at this point, as there will be another bull leg to follow in this phase.

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Capesize Cal 22



Support	Resistance	Current Price	Bull	Bear
S1	R1	28,250	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (67)
- Stochastic is overbought
- Last week we had a minor divergence with the RSI which has failed. Price has made new highs as has the RSI, the futures remain above all key moving averages
- The upside move and the divergence failure would suggest that like the Q4-21 the futures are on an extended wave 3. The current bull wave is nearing the USD 28,851, 161.8% Fibonacci resistance, above this level would further support an extended wave 3
- Downside moves that hold above the USD 25,016 level will support a bull argument, below the level the pullback is considered as deep and the technical phase neutral
- Although we have fractal support at USD 25,560 and USD 24,400 these appear to be part of a the extend wave. This would suggest the technical would need to trade below US 23,350 to be considered as bearish

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