



Capesize Technical Report

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The longer-term trend remains bearish, but the near-term trend has made a higher high with price above the 200-period Average. Momentum is an issue as the RSI is below 50 whilst the stochastic is in overbought territory, leaving price vulnerable to a downside move. However, if the RSI goes above 50 with price above the 200-period average then the logical upside target is the 55-period average at 50,299. A close below USD 32,397 would warn that momentum is weakening based on price.

Jan 22

The roll in the futures has taken the technical from bullish to bullish/neutral. This has also resulted in a resistance gap between USD 25,000-USD 30,500, this area is regarded as a resistance zone. The near-term technical is corrective with price approaching trend support, momentum however is warning of potential further weakness. If the trend support holds than USD 30,500 is a logical upside target as this is the top of the resistance window, As noted by Nison and many other analysts, market like to try and close gaps. Technically neutral with price below a resistance gap with trend support below it. Although momentum points lower it is worth noting that the stochastic will fall fast over the next few days due to the roll.

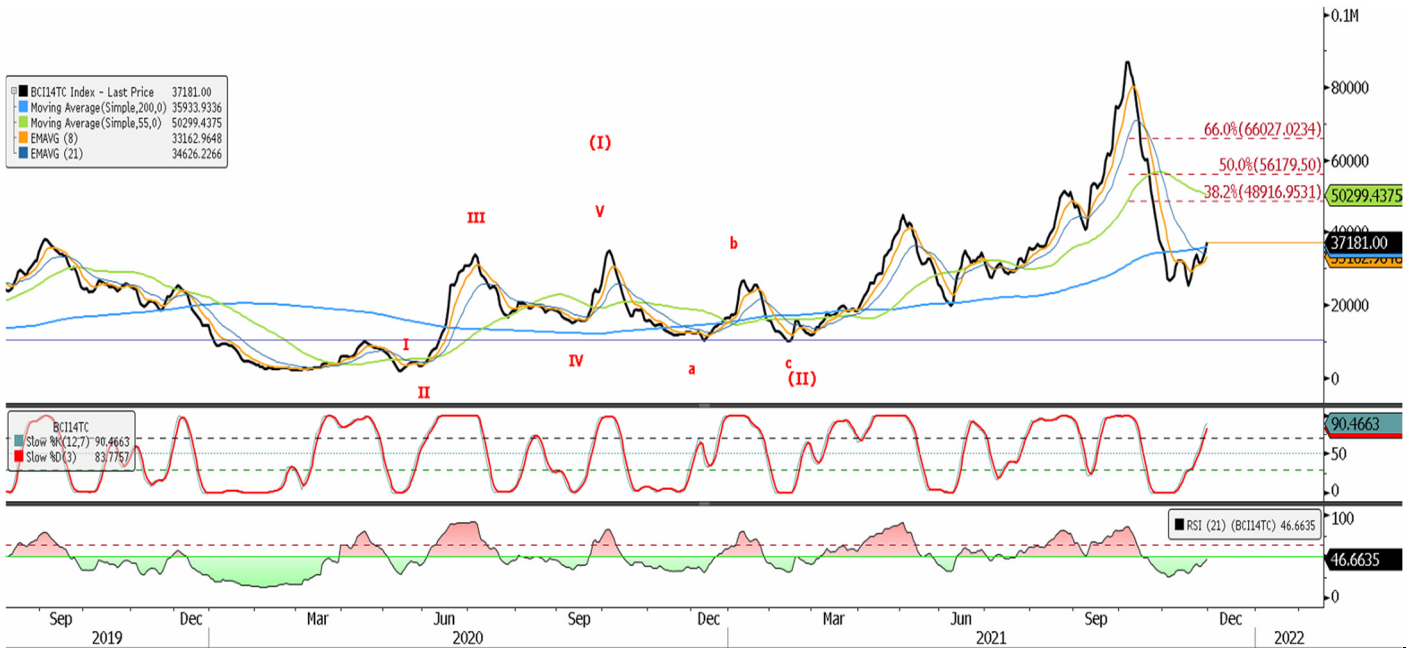
Q1 22

The futures have rejected the 55-period EMA with the intraday technical producing a negative divergence, this has resulted in the intraday futures moving lower. Downside moves that hold at or above the USD 17,221– USD 17,080 zone will support a bull argument; below this level the futures will target the USD 15,833 fractal support. Momentum is vulnerable to a downside move as the stochastic is nearing overbought territory whilst the RSI is below 50. If, however the RSI moves above 50 then the stochastic becomes less relevant. Technically bullish but failing at a key average, making USD 17,080 a key level to follow.

Cal 22

Support and resistance are unchanged with price holding above key levels last week. Momentum is warning the technical is vulnerable to a test to the downside, but price action is bullish. Due to price being on the 200-period average the technical is considered as neutral as this is a benchmark trend indicator. Bullish above and bearish below.

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	Support	Resistance	Current Price	Bull	Bear
S1	31,317	R1	40,362		
S2	25,406	R2	43,018		RSI below 50
S3	24,424	R3	45,674		

Source Bloomberg

Synopsis - Intraday

- Price is above the 8-21 period EMA's
- RSI is below 50 (46)
- Stochastic is overbought
- As noted on the last report the longer-term technical is bearish but price had made a higher high, the index needed to close above the 200-period Ma to further support a bull argument. The MA is at USD 35,933 with the index at USD 37,181, price now needs to hold above this level.
- The RSI is below 50, the stochastic is overbought. Momentum is warning that the futures are vulnerable to further tests to the downside. However, if price holds above the 200-period average and the RSI goes above 50 then the stochastic becomes less relevant (potentially irrelevant)
- A close below USD 32,397 would indicate that momentum is weakening based on price.
- We are seeing signs that the technical picture is starting to strengthen in the near-term, if we hold above the 200-period average then the 55-period average becomes a logical target at USD 50,299

Capesize Jan 22 (1 Month forward)



	Support	Resistance	Current Price	Bull	Bear	
S1	25,540	R1	23,375		RSI below 50	
S2	21,184	R2				30,500
S3	19,625	R3				33,250

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (41)
- Stochastic is overbought
- The futures have rolled into Jan creating a bearish gap in the market
- Due to the roll price is below the 8-21 period EMA's with the RSI below 50, the stochastic is in overbought territory. Momentum is warning the futures are vulnerable to further downside moves. However, this could be distorted by the roll, if the RSI moves back above 50 then the stochastic will become less relevant
- The downside gap (USD 30,500 - USD 25,000) is now considered a resistance zone
- The downside moves is considered as deep, meaning the technical is neutral/bullish
- Price is nearing the USD 22,540 support which is also a trend support
- Technically neutral/bullish with a resistance gap above and a trend support below. The roll has taken the futures into a corrective phase, suggesting we have the potential for further downside pricing; however, If we do move lower look for the a potential bullish divergence below USD 19,625 which would warn that the downside move could be nearing exhaustion
- Market bulls will want to see the futures hold trend support and trade above USD 30,500 to close the bear gap

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	Support	Resistance	Current Price	Bull	Bear
S1	18,099	R1	19,208		RSI below 50
S2	17,666	R2	21,449		
S3	17,080	R3	22,515		

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is below 50 (48)
- Stochastic is at 50
- The downside move held above the USD 15,151 support resulting in price trading above the USD 19,425 high. However the intraday price is rejecting the 55 period average with the futures USD 1,300 below the daily high
- A close below USD 17,221 would warn the momentum is weakening based on price implying the futures are entering into a corrective phase
- The upside move on the intraday chart have created a negative divergence on both the 1-hour and 4-hour time frames, this would support the weakening intraday price action. Note: this does not mean the technical is bearish, it is a warning that intraday momentum is slowing
- Corrective moves lower that hold at or above USD 17,080 will support a bull argument, below USD 15,833 the technical is considered as bearish
- Price is rejecting the 55-period EMA for a second time resulting in the current open candle moving lower, this is warning that the USD 17,221—USD 17,080 support zone could be tested, if it holds then the futures will look to test the 55-period average once again

Capesize Cal 22



Support		Resistance		Current Price	Bull	Bear
S1	21,012	R1	22,700	21,881		RSI below 50
S2	20,437	R2	23,361			
S3	19,657	R3	23,635			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is below 50 (47)
- Stochastic is at 50
- As previously noted, the futures were technically bullish but not in a trending environment. The downside move held key support resulting in the futures moving higher
- The RSI is below 50 with the stochastic in overbought territory, momentum is warning that the technical is vulnerable to a test to the downside whilst the RSI is below 50
- Corrective moves lower that hold at or above USD 19,657 will support a bull argument, below this level the technical is considered as neutral/bullish
- Price continues to test the 200-period MA, at this point the average is holding. Price is technically bullish based on the higher high; However, whilst we are trading around the 200-period average the longer-term trend is considered as neutral. Upside moves that close above the average will support a bull argument, whilst a rejection of it will support a bear argument
- Momentum is vulnerable but price is bullish. Due to the average the market is regarded as neutral

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