



Capesize Technical Report

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

Index

The longer-term trend remains bearish with the index turning lower today, a close below USD 40,235 will indicate that momentum is weakening based on price, warning that support levels could be tested. If we hold above this level, then we have the potential for further upside moves in the near-term. Downside moves that hold at or above USD 31,398 will support a bull argument, below this level the index will target the USD 25,406 low. Likewise, upside moves that fail at or below USD 66,027 will leave price vulnerable to further tests to the downside. The RSI is above 50 but a 52 it is near-neutral, if we go below 50 then momentum will be vulnerable to a test to the downside.

Jan 22

The upside move failed to close the resistance gap resulting in the futures moving lower. Yesterdays close warned that support levels could be tested today which they have, price is now USD 3,250 lower. Downside moves that trade below USD 19,625 have the potential to create a positive divergence with the RSI, if it does the market will not be a technical sell on a new low. The downside move below the USD 22,375 support means key fractal resistance is at USD 28,375, upside moves above this level would mean the technical is bullish. Technically bearish with the RSI below 50.

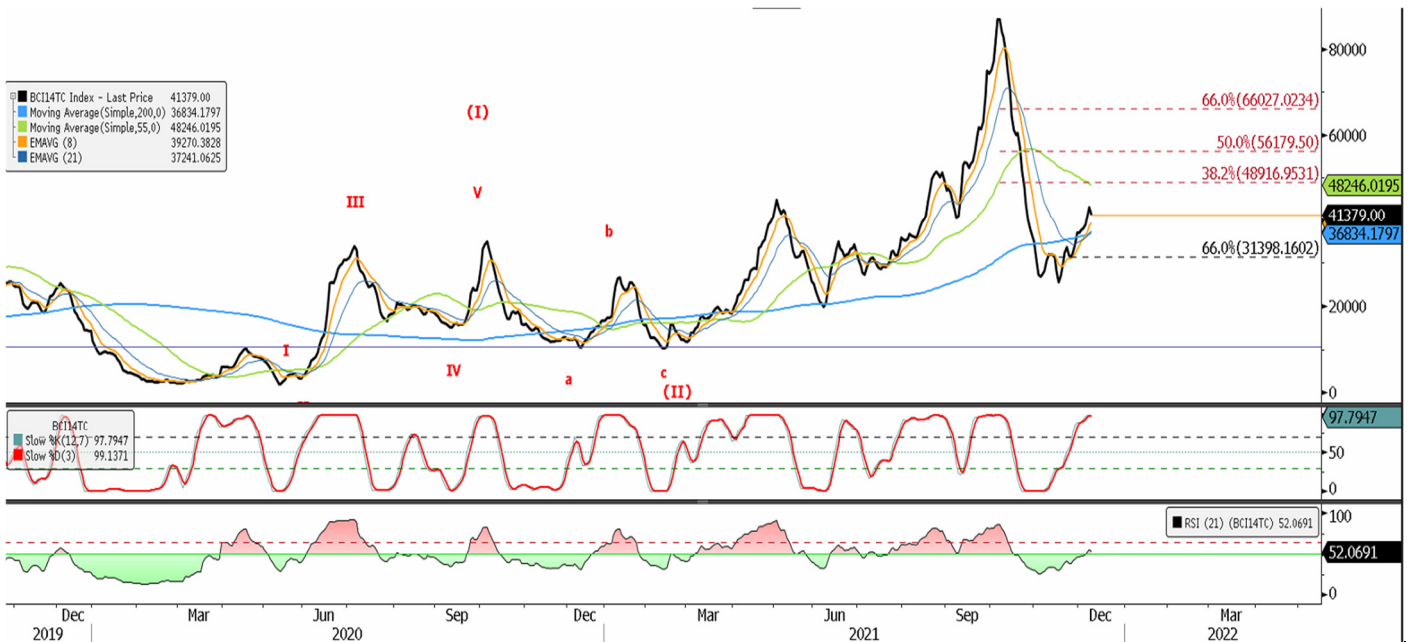
Q1 22

The futures have entered a corrective phase, the trend is now considered as bullish neutral based on the deep pullback. Upside moves that fail at or below the 55-period average remain vulnerable to further tests to the downside. The pullback is now deep into the last bull wave, the technical is now neutral/bullish, downside moves below USD 15,833 will be considered bearish. The RSI is now below 50 with the stochastic overbought, momentum is warning the futures are vulnerable to further tests to the downside.

Cal 22

The upside moves held the upper end of our resistance levels with price entering a corrective phase. Key support is at USD 21,757, corrective moves that hold this level will support a bull argument, below this level the technical is neutral/bullish. Technically we remain in bull territory; however, the RSI is below 50 with the stochastic overbought, momentum is warning that the futures are vulnerable to a test to the downside. If the RSI moves back above and holds above the 50-level then the overbought stochastic becomes less relevant.

Capesize Index



Support	Resistance	Current Price	Bull	Bear
S1	R1	41,379	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Source Bloomberg

Synopsis - Intraday

- Price is above the 8-21 period EMA's
- RSI is above 50 (52)
- Stochastic is overbought
- As highlighted last week we were seeing a strengthening in the technical with price above the 200-period MA, the RSI has moved marginally higher supporting a bull argument. Price is above all key moving averages with the RSI above 50
- A close below USD 40,235 would indicate that momentum is weakening based on price
- Corrective moves lower that hold at or above USD 31,398 will support a bull argument, below this level index will target the USD 25,046 low
- Upside moves that fail at or below USD 66,027 remain vulnerable to further tests to the downside, above this level the technical is considered as neutral bearish
- The longer-term trend remains bearish, the index is starting to weaken, the RSI is above 50 but at 52 this is near neutral, if the RSI goes below 50 then momentum will once again be vulnerable to a test to the downside. If we close below USD 40,235 then it would indicate that the technical is weakening based on price, warning that downside support levels could be tested

Capesize Jan 22 (1 Month forward)



	Support	Resistance	Current Price	Bull	Bear	
S1	19,625	R1	21,250	Stochastic oversold	RSI below 50	
S2	17,263	R2				28,375
S3	15,359	R3				30,500
					32,250	

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (40)
- Stochastic is oversold
- The futures moved higher into the bearish gap (resistance zone) but failed to trade above the USD 30,500 level. A bearish close yesterday warned that support levels could be tested (As noted on the E.U. close report) Price has broken fractal resistance with near-term support now at USD 16,625 low. The RSI is below 50, price is below the 8-21 period EMA's and the technical remains bearish.
- The Stochastic is oversold but the RSI is below 50 indicating momentum remains weak. Downside moves that trade below USD 19,625 have the potential to create a positive divergence with the RSI. Not a buy signal it does warn that we have the potential to see a momentum slowdown on a new low. If we do get the divergence then from a technical perspective the market would not be considered a technical sell at lower levels
- Due to the downside move below USD 22,375 key fractal resistance has dropped to USD 28,375, upside moves that trade above this level would be bullish
- Technically bearish with momentum aligned to the sell side

Capesize Q1 22



	Support	Resistance	Current Price	Bull	Bear
S1	18,015	R1	22,250		
S2	17,206	R2	23,662		RSI below 50
S3	15,833	R3	24,799		

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA
- RSI is below 50 (47)
- Stochastic is overbought
- The downside move held the USD 17,080 support last week resulting in the futures trading above the 55-period EMA. The futures are below the 8-21 period EMA with the RSI moving below 50
- The futures have entered a corrective phase with price trading below the USD 18,015 support, the technical is now neutral/bullish
- The RSI is below 50, the stochastic is overbought, momentum is warning that the futures are vulnerable to a test to the downside
- Upside moves that close above and hold above the 55-period MA (USD 19,374) will support a buyer's argument; however, failure to hold above the average would warn the technical condition could weaken further
- Downside moves below USD 15,833 would create a lower low in the market, at this point the technical is bearish
- The futures have entered a corrective phase, momentum is considered as weak based on price with the pullback deep into the last bull move

Capesize Cal 22



Support	Resistance	Current Price	Bull	Bear
S1	R1	22,000		RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (46)
- Stochastic is overbought
- A neutral market on the last report as price was trading around the 200-Period average, momentum was bullish based on price resulting in an upside move. Our upper resistance was at USD 24,214 with price trading to a high of USD 24,587 before correcting. Price is now below the 8-21 period EMA's with RSI below 50
- Key support is at USD 21,757, corrective moves that hold above this level will support a bull argument, below this level the technical is considered as neutral bearish
- Downside moves that trade below USD 20,300 will create a lower low in the market, at this point the technical will be bearish
- The RSI is below 50 with the stochastic overbought, momentum is vulnerable to a test to the downside
- Bullish neutral, price is in a corrective phase.

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at freightinvestorservices.com