



Capesize Technical Report

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Index

As noted last week we did see a technical pullback in the index; however, price held above the USD 12,000 support. The technical remains neutral/bearish below USD 21,181, and bullish above. The RSI is neutral, but momentum based on price is turning to the buy side again, if the RSI can move above and hold above 50 then the USD 21,181 fractal resistance could be broken.

April 22

The roll into April followed by the new high yesterday would suggest the futures have entered a new bull cycle with a near-term upside target at USD 30,200. Price is supported by the RSI above 50 with the futures above the short and medium period moving averages. The carry on the April is now over USD 10,000, meaning the futures are vulnerable to a technical pullback if we do not see a push in the index over the coming days. Corrective move lower remain bullish above USD 19,999 and neutral below, only below USD 16,200 is the technical bearish.

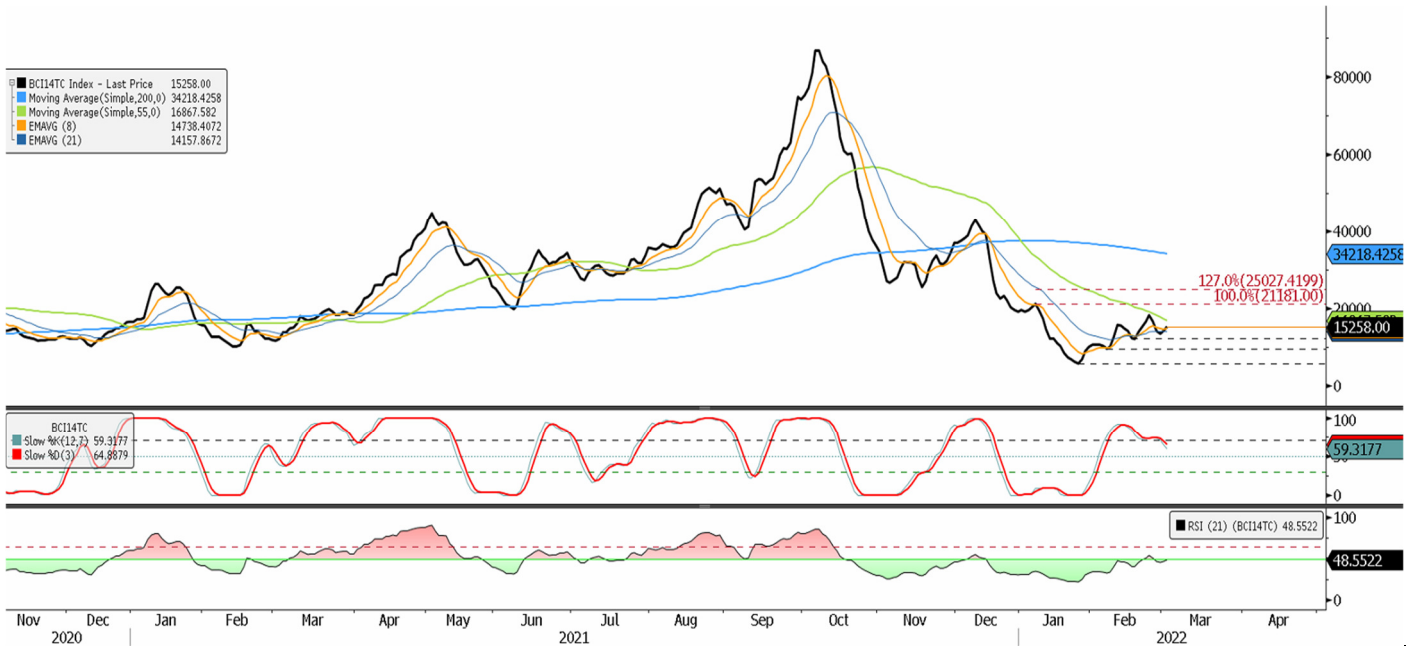
Q2 22

The downside move in the futures last week held above the USD 24,500 support keeping the technical in bullish territory. Price is above all key moving averages with momentum warning we have the potential for further tests to the upside. Elliott wave analysis would indicate we remain in a corrective wave 4 at this point with confirmation of a 5th wave coming above USD 29,250. Corrective moves lower that hold at or above USD 26,051 we will support a bull argument, below this level the technical will have a neutral bias, only below USD 24,500 is the technical bearish.

Cal 23

The futures failed to make a new high last week with price coming under pressure to create a new low in the market on the back of the Russian invasion of the Ukraine. Technically neutral bearish, price looks to be in a complex corrective wave 4 suggesting we still have the potential to trade to a new high.

Capesize Index



	Support	Resistance	Current Price	Bull	Bear
S1	13,414	R1	18,181		
S2	12,000	R2	21,181		RSI below 50
S3	9,521	R3	25,027		

Source Bloomberg

Synopsis - Intraday

- Price is above the 8-21 period EMA's
- RSI is below 50 (48)
- Stochastic is above 50
- We noted on the report last week that momentum was suggesting the index was vulnerable to a test to the downside. Price traded to a high of USD 18,181 before correcting to a low of USD 13,414. The index is above the 8-21 period EMA's with the RSI near neutral at 48.5.
- Upside moves above USD 18,181 will target the USD 21,181 fractal resistance, above this level the technical will have made a higher high and be bullish.
- Downside moves below USD 13,414 will indicate the technical is weakening, leaving price to target the USD 12,000 and USD 9,521 support levels.
- The RSI is near neutral with the stochastic below 70 but still above 50. If the RSI can move above the 50 level it will warn that resistance levels could be tested.
- The technical is neutral/bearish with the RSI also neutral, price now needs to trade above the USD 21,181 if it is going to enter bull territory.

Capesize April 22 (1 Month forward)



	Support	Resistance	Current Price	Bull	Bear
S1	23,106	R1	26,250	RSI above 50	
S2	21,787	R2			
S3	19,999	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (60)
- Stochastic is above 50
- Price is above the 8—21 period EMA's supported by the RSI above 50
- The roll into the April contract produced a higher high in the market with the futures now trading above the USD 23,750 level on the back of the Russian invasion into the Ukraine. Price is above the short- and medium-term moving averages supported by the RSI above 50.
- Downside moves that hold at or above the USD 19,999 level will support a bull argument, below this level the technical will have a neutral bias. Only below USD 16,250 will it create a lower low and be bearish.
- Upside moves the close on the intraday chart above USD 27,204 will target the USD 30,200 and USD 33,980 resistance levels.
- The new high would suggest that the futures have started a new bull phase of this cycle which would indicate we should (in theory) trade above the USD 30,200 resistance. However, the futures are over USD 10,000 above the index at this point, meaning we have the potential to see a corrective pullback soon if the index does not move substantially higher in the coming days.
- Technically bullish with a near-term upside target at USD 30,200, we now need to see some bigger numbers from the index to avoid a corrective pullback.

Capesize Q2 22



	Support	Resistance	Current Price	Bull	Bear
S1	27,217	R1	28,125	RSI above 50	
S2	26,722	R2			
S3	26,051	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is above 50 (57)
- Stochastic is above 30
- On last week's report we highlighted the negative divergence with the RSI warning we could see a technical pullback which has been the case. The pullback was deep, but price held above the USD 24,500 fractal support, meaning the technical held in bullish territory. The futures are back above all key moving averages supported by the RSI about 50 whilst the stochastic is near oversold territory.
- Corrective moves lower that hold at or above USD 26,051 we will support a bull argument, below this level the technical will have a neutral bias.
- The technical looks to have completed an extended wave 3, upside moves above the USD 29,250 fractal resistance will confirm that we have entered a bullish wave 5. Using the Williams approach this will mean we have a potential upside target at USD 32,350. Failure to make a new high would suggest we remain in a complex corrective way 4.
- Technically bullish price still needs to confirm that we have entered an Elliott 5th wave, with the RSI about 50 and the stochastic near oversold levels it would suggest that downside moves should hold support.

Capesize Cal 23



Support	Resistance	Current Price	Bull	Bear
S1	R1	21,250	RSI above 50	Stochastic oversold
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (58)
- Stochastic is overbought
- The futures failed to make a new high with price moving lower below the USD 19,875 level taking the technical into bearish territory. The upside move yesterday mean we now have a neutral bias. Price is above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 20,305 will support a bull argument, below this level the futures will target the USD 19,625 fractal support.
- The failure to make a new high would suggest we remain in a complex corrective wave 4, upside moves above USD 21,925 will confirm that price has entered a bullish impulse wave.
- The technical has neutral bias at this point with the futures currently on the low of the day, warning it is looking vulnerable to some form of pullback. If our Elliott wave analysis is correct, then the futures still have the potential to trade to a new high within this phase.

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