



# Capesize Technical Report

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## Index

Technically bullish last week with the RSI breaking resistance, implying downside moves look like they could be countertrend. We traded to a high of USD 29,365 before entering a corrective phase. The MA on the RSI continues to suggest that momentum is supported at this point, whilst the RSI high last week would imply that downside moves look to be countertrend, making USD 21,371 the key support to follow. If broken, then the probability of the index trading to a new high will start to decrease. We are below the USD 27,479 – USD 27,843 resistance zone (MBP - weekly pivot), implying near-term price action is weak. If we close above this area, then the USD 29,365 fractal resistance will start to look vulnerable.

## June 24

Technically bearish with a neutral bias last week, the RSI was making new highs, suggesting downside moves had the potential to be countertrend. Having traded to a high of USD 33,650 the futures produced a bearish engulfing candle, resulting in price selling lower. The MA on the RSI is suggesting that momentum is supported; however, we have opened below the weekly pivot level USD 31,133 with price moving lower, a close below this level will indicate that sell side pressure is increasing. Likewise, a close above this level will support a bull argument. The technical is conflicting, as the break in the RSI high last week does suggest that downside moves have the potential to be countertrend, but a bearish rejection candle on the weekly chart is indicating that there is selling pressure on the higher timeframe, making USD 25,746 the key support to follow, If we hold this level then it would indicate that there is underlying support in the market, if broken then the probability of the futures trading to a new high will start to decrease.

## Q3 24

The futures only managed to close above the USD 28,375 resistance for one day last week, whilst the RSI rejected its resistance level, resulting in the futures selling lower. The technical is bullish but with a near-term neutral bias; however, the key focus is the 55-period EMA at USD 26,488. This has been a benchmark average that has held on at least four occasions, a close below that holds below it will warn that there is further downside within this corrective phase. Likewise, a bullish support candle that holds above the average would suggest that we could see another test to the upside. We are neutral as we approach the average, with a note of caution on downside moves whilst above it. We now need to see how we react to the average, to give us an idea of the directional bias.

## Cal 25

The futures failed to trade above the USD 25,550 high from last week with price entering a corrective phase. We are below the weekly pivot level (USD 21,766) with near-term price action continuing to show signs of weakness; however, the MA on the RSI is still flat, implying momentum is more neutral at this point. Key support is at USD 19,844, if we hold this level, we still have the potential to see another move higher; if broken, then the corrective phase is likely to be more complex, warning that the USD 18,450 fractal low could come under pressure. We are cautious on downside moves at these levels, as below USD 21,250 we have the potential to see the intraday technical become divergent. Not a buy signal, it is a warning that we could see a momentum slowdown which will need to be monitored.

## C5 June 24

The futures traded to a high of USD 12.02 before entering a corrective phase. The MA on the RSI is warning that we have light momentum support; however, we have opened below the weekly pivot level (USD 11.71), a close below this level will imply that sell side pressure is increasing. The futures are in the process of rejecting the USD 12.05 resistance, but this is being countered by the RSI making new highs last week, implying the move lower has the potential to be countertrend, making USD 10,70 the key support to follow. With the RSI breaking resistance, we maintain our view that downside moves look like they could be countertrend, until the technical tells us otherwise.

# Capesize Index

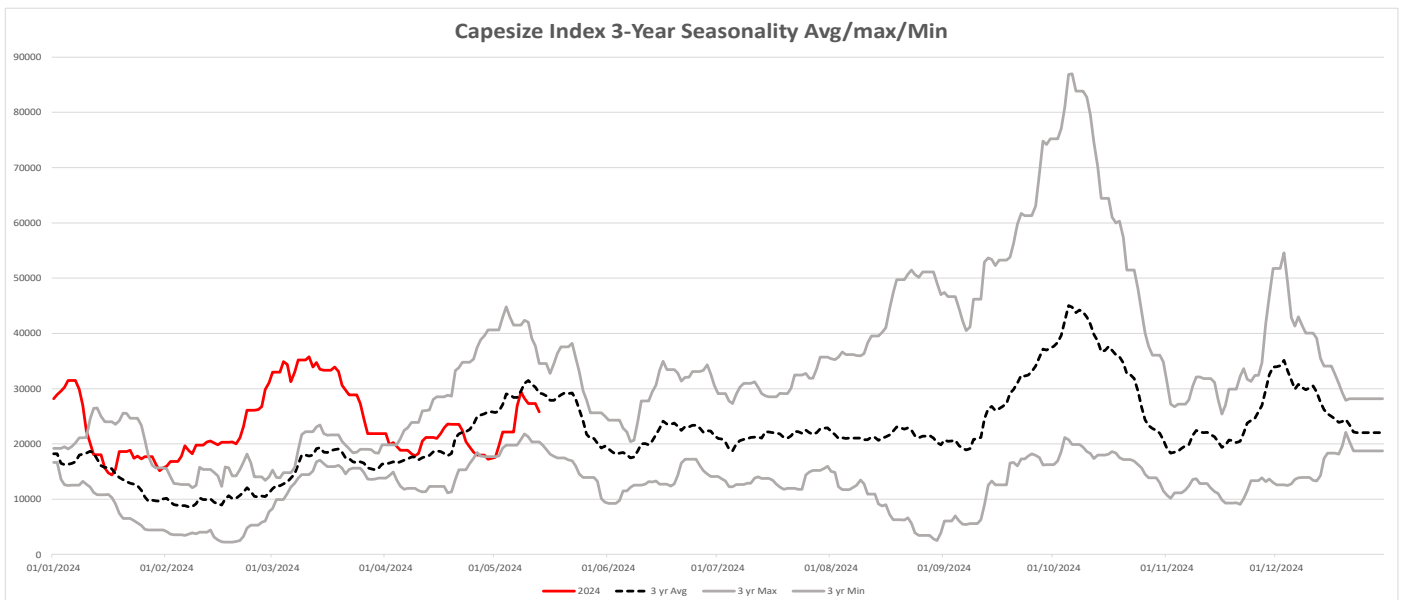


	Support	Resistance	Current Price	Bull	Bear
S1	24,738	R1	27,843	RSI above 50	Stochastic overbought
S2	21,371	R2	30,481		
S3	17,253	R3	34,077		

## Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (54)
- Stochastic is overbought
- Price is below the weekly pivot point (USD 27,843)
- Having held primary trend support last week, the upside move had broken the USD 23,598 fractal resistance, meaning the technical was bullish. The RSI was trading to new highs alongside price, suggesting downside moves should be considered as countertrend, the MA on the RSI was starting to show light momentum support. The RSI was at 58, we noted that if it closed above and held above 64, then resistance levels should in theory come under further pressure.
- The index traded to a high of USD 29,365 before selling lower. We remain above all key moving averages with the RSI above 50.
- Momentum based on price (MBP) is aligned to the sell side, a close above USD 27,479 will mean it is aligned to the buy side. Downside moves that hold at or above USD 21,371 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish but in a corrective phase, the MA on the RSI continues to suggest that momentum is supported at this point. The RSI high last week would suggest that downside moves look like they could be countertrend, making USD 21,371 the key support to follow. If broken, then the probability of the index trading to a new high will start to decrease. If we close above the USD 27,479 – USD 27,843 resistance zone (MBP - weekly pivot), then the USD 29,365 level will start to look vulnerable.



# Capesize June 24 (1 Month forward)

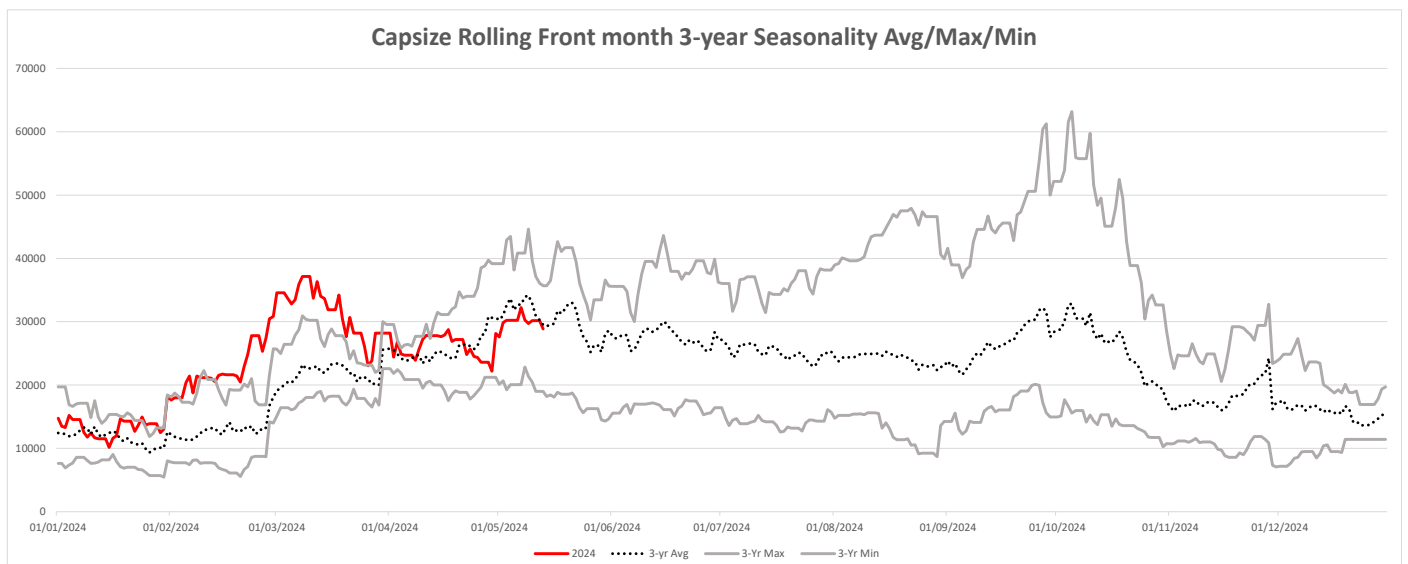


	Support	Resistance	Current Price	Bull	Bear
S1	27,662	R1	33,650	RSI above 50	Stochastic overbought
S2	25,746	R2	34,740		
S3	24,237	R3	37,825		

## Synopsis - Intraday

- Price is above the 8-21 period EMA's
- RSI is above 50 (52)
- Stochastic is overbought
- Technically bearish with a neutral bias last week, above USD 35,125 the technical would be bullish. The futures held above the USD 24,500 level after the roll into June, with price above this week's pivot level of USD 27,475, supporting the upside move. The RSI was making new highs alongside price, suggesting downside moves should be considered as countertrend, implying the USD 35,125 fractal resistance is now vulnerable.
- We traded to a high of USD 33,650 before producing a bearish engulfing candle, resulting in price entering a corrective phase. We are between the 8-21 period EMAs with the RSI above 50.
- Downside moves that hold at or above USD 25,746 will support a near-term bull argument, below this level the USD 21,675 fractal low will start to look vulnerable.
- We remain bearish with a neutral bias. The MA on the RSI is suggesting that momentum is supported; however, we have opened below the weekly pivot level (USD 31,133) with the futures moving lower again, if we closed below this level, it implies that sell side pressure is increasing. Likewise, upside moves that close above and hold above this level will support a bull argument. The break in RSI resistance last week does suggest that the move lower looks to be countertrend, this is countered by a bearish rejection candle on the weekly chart, meaning we are seeing a conflict between timeframes, making USD 25,746 the key support to follow. If we hold above this level, it will signal that there is underlying support in the market, if broken, then the probability of the futures trading to a new high will start to decrease.

Source Bloomberg



# Capesize Q3 24

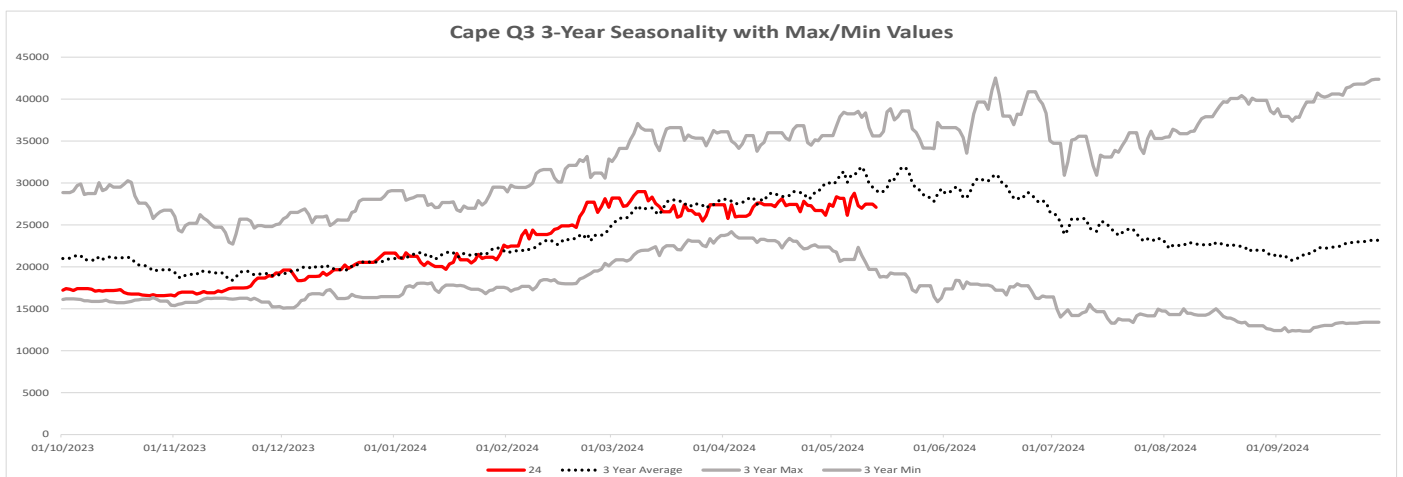


	Support	Resistance	Current Price	Bull	Bear
S1	26,488	R1	27,625		
S2	25,735	R2	28,555		
S3	24,587	R3	29,625		

## Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA
- RSI is at 50 (50)
- Stochastic is below 50
- Technically bullish last week, having rejected the 55-period EMA and closed above last week's pivot level, the futures are currently trading above this week's pivot (USD 27,541), implying there is an underlying support in the market. We were just above the USD 28,375 double top with the RSI testing its resistance. If we hold above the USD 28,375 level and the RSI broke resistance, then the USD 29,625 fractal high could come under pressure. However, a close below this level alongside the RSI rejecting resistance would warn that we could see a technical pullback. Elliott wave analysis continues to suggest that downside moves look like they could be countertrend; meaning we now need to hold the USD 28,375 support for upside continuation.
- The futures closed above the USD 28,375 level for one day, but the RSI failed to break resistance, resulting in price producing a technical pullback. We are now below the 8-21 period EMA's with the RSI neutral at 50.
- The futures have traded below the USD 26,968 support, meaning the near-term technical now has a neutral bias. However, the longer-term Elliott wave cycle remains bullish above USD 22,975.
- Technically bullish with a neutral bias, the futures remain above the 55-period EMA (USD 26,488) but below the weekly pivot level (USD 27,625). In theory, the breach in the USD 26,968 means that the probability of the futures trading to a new high within this phase of the cycle is starting to decrease. However, the 55-period EMA has been a benchmark support since November 23, implying market sellers still need to be cautious whilst we are above it. A close below that holds below the average will warn of further downside within this corrective phase. However, a bullish support candle that holds the average would indicate that we could see another test to the upside, this is based on recent price action since mid-March. We have more of a neutral view until we see how price reacts to the 55-period EMA.





# Capesize Cal 25

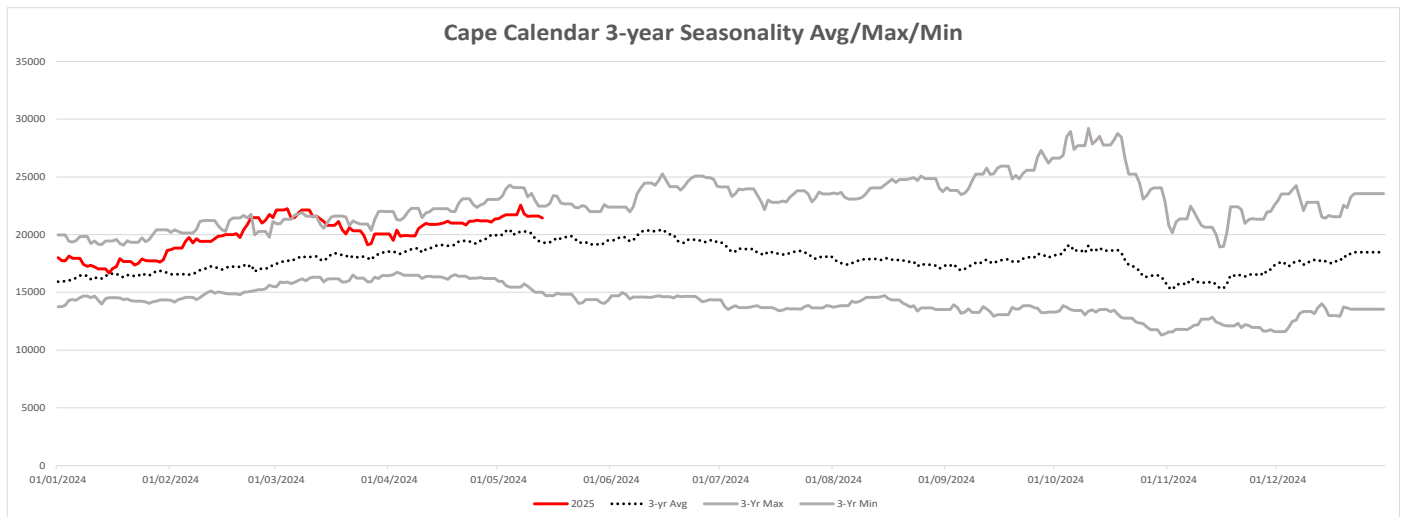


	Support	Resistance	Current Price	Bull	Bear
S1	20,983	R1	21,766	RSI above 50	
S2	20,500	R2	22,550		
S3	19,844	R3	22,750		

## Synopsis - Intraday

Source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is above 50 (54)
- Stochastic is below 50
- Technically bullish on the last report, the upside move in the futures meant that we were testing the USD 22,750 fractal high, if broken, we had a potential upside target of USD 23,826 for this phase of the cycle. However, we noted that a new high would create a negative divergence with the RSI. Not a sell signal, it warned that we could see a momentum slowdown which needed to be monitored. We also noted that this is an Elliott wave 5 of a larger wave 3, meaning downside moves were still considered as countertrend on the longer-term cycle.
- The futures failed to trade any higher than the USD 25,550 level with price producing a bearish rejection candle last week that was followed by a move lower. We are now trading within the 8-21 period EMA's with the RSI above 50.
- Downside moves that hold at or above USD 19,844 will support a near-term bull argument, below this level the technical will have a neutral bias. Key longer-term support at USD 18,625 remains in play due to the breach in the USD 21,288 resistance.
- Technically bullish, the futures are in a corrective phase with the RSI now below its moving average and the weekly pivot level (USD 21,766), near-term price action is showing signs of weakness. However, the average on the RSI is flat, implying momentum is neutral at this point. Key support is at USD 19,844, if we hold above this level then we have the potential to see another test to the upside. Likewise, if broken, then it will imply that the corrective phase is likely to be more complex, warning the USD 18,450 fractal low could come under pressure. We are cautious on downside moves at these levels, as below USD 21,250 we have the potential to see the intraday technical become divergent. Not a buy signal, it is a warning that we could see a momentum slowdown which will need to be monitored.



# Capesize C5 June (Rolling Front Month Heikin Ashi Chart)



	Support	Resistance	Current Price	Bull	Bear
S1	11.26	R1	11.71	11.56	RSI above 50 Stochastic overbought
S2	10.70	R2	12.05		
S3	10.03	R3	12.43		

- Heikin-Ashi—This is a blended price to create a candlestick chart rather than a line chart. The chart is based off close only data
- Price is above the 8-21 period EMA
- RSI is above 50 (54)
- Stochastic is overbought
- The futures had traded to a new low before breaking fractal resistance last week, meaning the technical was bullish. Price was above the weekly pivot level (USD 11.11), implying buy-side support in the market, a close below this level would indicate that sell-side pressure was increasing. Upside moves above 12.05 will warn that the probability of there being a larger bear cycle in play had started to decrease. The MA on the RSI was flat, but the RSI is making new highs, supporting the current bullish move.
- The futures traded to a high of USD 12.02 before moving lower. We remain above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 10.70 will support a bull argument, below this level the technical will have a neutral bias. Upside moves that fail at or below USD 12.05 will warn that there is a larger, bearish corrective cycle in play, above this level we target the USD 13.09 fractal high.
- Technically bullish but in a corrective phase, the MA on the RSI is warning that we have light momentum support at this point. We have opened below the weekly pivot level (USD 11.71), a close on the daily chart below this level will imply that sell-side pressure is increasing. We are seeing a small rejection of the USD 12.05 level, suggesting caution on moves higher, this is countered by the RSI breaking resistance last week, as this suggests that downside moves look like they could be countertrend, making USD 10.70 the key support to follow. If we hold above this level, then the USD 12.05 resistance could be tested and broken. Below this level, the probability of the futures trading to a new high within this phase of the cycle will start to decrease. With the RSI breaking resistance, we maintain our view that downside moves look like they could be countertrend until the technical tells us otherwise.

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