



Capesize Technical Report

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

Index

Technically bullish with a neutral bias, the probability of the index trading to a new high has started to decrease. We are below the MBP and weekly pivot level (USD 22,607 – USD 23,057) and the 200-period MA USD 22,644); However, the MA on the RSI is warning that momentum is supported. A close above that holds above the USD 22,644 level will warn that we could test the weekly pivot level. Likewise, a rejection of either of these two will warn that support could come under pressure. We are cautious on upside moves due to the depth of the pullback.

June 24

The futures closed below the weekly pivot level last week on the back of the weekly rejection candle, resulting in the USD 27,546 support being broken, the technical is now bearish. A small upside move is failing to hold with price looking like it will close below this week's pivot level (USD 27,850), if we do, then we could test the USD 25,425 fractal low. A close below the fractal support will warn we could see further downside. The technical is showing signs of weakness, a close below USD 27,186 will further support a seller's argument.

Q3 24

We defended the 55-period EMA last week but remain below key resistance at USD 27,782. The MA on the RSI is warning that momentum is starting to weaken but price is trading above the weekly pivot level (USD 26,850) and the 55-period MA (USD 26,545). A close below this support zone will warn that the USD 25,800 and USD 24,625 support levels could come under pressure. A move above USD 27,782 will warn that we could break the consolidation phase to the upside. We are holding support, but momentum is warning the technical is weakening, the futures remain in the consolidation zone at this point. The 55-period EMA is starting to flatten a little, implying that the trend is not as supported as it once was. We are cautious on upside moves unless we trade above the USD 27,782 resistance.

Cal 25

We tested and held the 55-period MA last week; however, the downside moves means that the RSI is below and finding resistance on its average. The EMA's and MA are now flat, indicating a lack of directional bias, this also suggests they are less likely to be respected. We are just above the weekly pivot level USD 21,291, a close below this level will imply that sell side momentum is increasing. We are bullish, but the flattening averages warn that buy-side momentum is softening, meaning support levels are starting to look vulnerable. Market buyers will want to keep price above the weekly pivot, whilst a move above the USD 21,500 intraday resistance would suggest that buy-side pressure is increasing.

C5 June 24

The futures closed below the weekly pivot level last week, resulting in price moving lower; however, we remain above the USD 10.70 support. If broken, then the probability of the futures trading to a new high will start to decrease. We have opened the weekly below the USD 11.12 level (weekly pivot), a close below it will warn that support could be tested and broken. A bearish flag is now in play, implying support levels are vulnerable.

Capesize Index

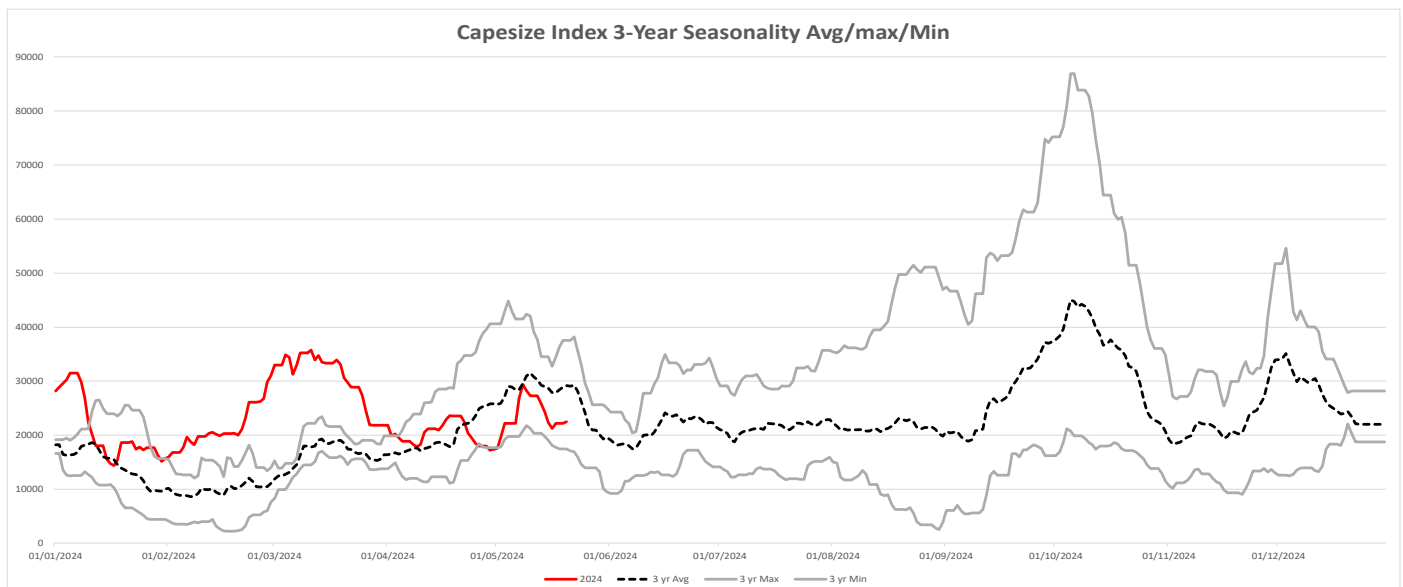


	Support	Resistance	Current Price	Bull	Bear
S1	21,371	R1	23,057		RSI below 50
S2	17,253	R2	30,481		
S3	15,130	R3	34,077		

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (48)
- Stochastic is below 50
- Price is below the weekly pivot point (USD 23,057)
- Technically bullish but in a corrective phase last week, the MA on the RSI continued to suggest that momentum was supported. The RSI high last week suggested 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 would start to look vulnerable.
- The index traded to a low of USD 21,218 before finding light bid support. We are below all key moving averages with the RSI below 50.
- Momentum based on price (MBP) is aligned to the sell side, a close above USD 22,607 will mean it is aligned to the buy side.
- Technically bullish, the depth of the pullback means that the probability of the index trading to a new high has started to decrease, meaning we now have a neutral bias. The RSI is below its average, but the MA continues to suggest that momentum is supported at this point; however, we are below the MBP and weekly pivot level (USD 23,057). A close above the weekly pivot level will imply that buy side pressure is increasing; likewise, a close above that holds above the 200-period MA (USD 22,644), will support a bull argument. A rejection of the long-term average (or the weekly pivot level) will leave support levels vulnerable. The technical is in balance as a move above the long-term average and weekly pivot level is possible; however, due to the depth of the pullback, we now have a note of caution on moves higher.



Capesize June 24 (1 Month forward)

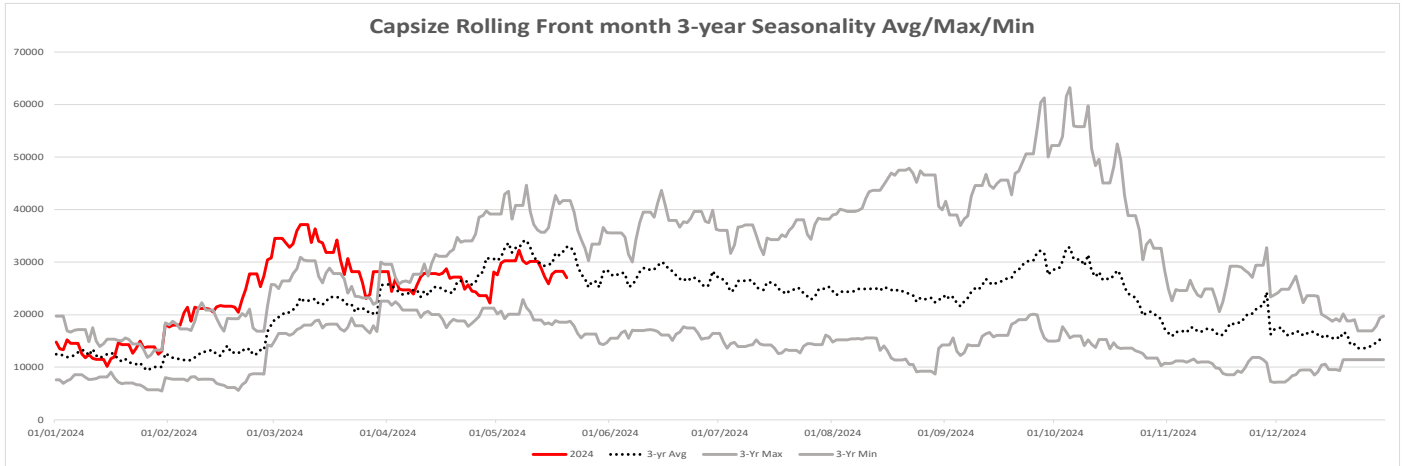


	Support	Resistance	Current Price	Bull	Bear
S1	27,662	R1	33,650	RSI above 50	Stochastic overbought
S2	25,746	R2	34,740		
S3	24,237	R3	37,825		

Synopsis - Intraday

- Price is above the 8-21 period EMA's
- RSI is above 50 (52)
- Stochastic is overbought
- We remained bearish with a neutral bias last week. The MA on the RSI suggested that momentum was supported; however, we had opened below the weekly pivot level (USD 31,133) with the futures moving lower again, if we closed below this level, it would imply that sell side pressure was increasing. Likewise, upside moves that closed above and held above this level would support a bull argument. The break in RSI resistance last week did suggest that the move lower looked to be countertrend, this was countered by a bearish rejection candle on the weekly chart, meaning we were seeing a conflict between timeframes, making USD 25,746 the key support to follow. If we held above this level, it would signal that there was underlying support in the market, if broken, then the probability of the futures trading to a new high would start to decrease.
- The futures closed below the weekly pivot level, resulting in price breaching the USD 25,746 support, meaning the technical is back in bearish territory. Having seen a small move higher, the futures are coming back under pressure. We are below the 8-21 period EMA's with the RSI below 50.
- Upside moves that fail at or below USD 30,853 will leave the futures vulnerable to further tests to the downside, above this level the USD 33,650 fractal resistance will start to look vulnerable.
- Technically bearish, the RSI is below its average which has started to flatten, implying momentum is now neutral. We are trading below the weekly pivot point (USD 27,850), a close below this level will imply that sell side pressure is increasing, whilst a close below the USD 25,425 fractal low will warn that the USD 24,237 and USD 21,675 levels could come under pressure. Likewise, a close above USD 27,850 would suggest that there is underlying support in the market. The technical is again showing signs of weakness, if we close below USD 27,186 it will further support a seller's argument.

Source Bloomberg



Capesize Q3 24

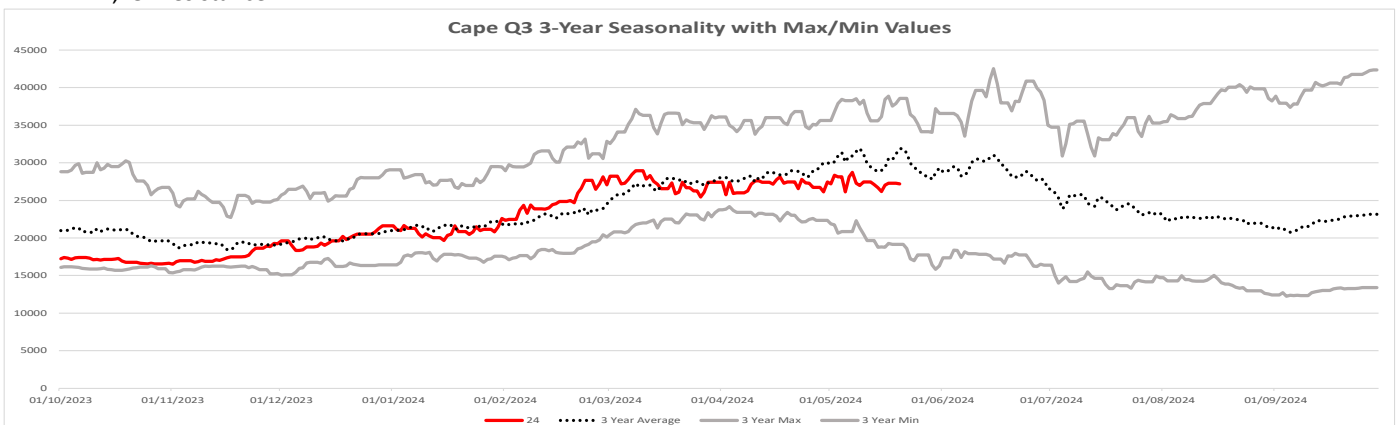


	Support	Resistance	Current Price	Bull	Bear
S1	26,850	R1	27,200	RSI above 50	
S2	25,735	R2			
S3	24,587	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA
- RSI is above 50 (51)
- Stochastic is below 50
- Technically bullish with a neutral bias on the last report, the futures remained 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 meant that the probability of the futures trading to a new high within this phase of the cycle had started to decrease. However, we noted that the 55-period EMA had been a benchmark support since November 23, implying market sellers still need to be cautious whilst we are above it. A close below that held below the average would warn of further downside within this corrective phase. However, a bullish support candle that held the average would indicate that we could see another test to the upside, this is based on recent price action since mid-March. We had more of a neutral view until we see how price reacted to the 55-period EMA.
- The futures sold lower with price closing below the 55-period EMA (USD 26,545). However, a bullish engulfing candle the following day signalled underlying support in the market. We are above the 8-21 period EMA's, but the averages are flat, indicating a lack of directional bias. The RSI is near-neutral at 51 and is currently below its MA.
- Upside moves that fail at or below USD 27,782 will leave the futures vulnerable to further tests to the downside, above this level the technical will be back in bullish territory. The longer-term technical remains bullish above USD 22,975 and neutral below.
- Technically bullish with a neutral bias, the MA on the RSI is warning that momentum is starting to weaken a little. The futures are trading above the weekly pivot level (USD 26,850) and the 55-period EMA (USD 26,545), a close below this support zone will warn that the USD 25,800 and USD 24,625 support levels could come under pressure. Likewise, above USD 27,782 will warn we could break the consolidation phase to the upside. Price is holding support, but momentum is warning of weakness, the technical remains in consolidation at this point, implying neutrality. However, the 55-period EMA is starting to flatten a little, warning the trend is not as supported as it once was. We are cautious on upside moves unless we trade above the USD 27,782 resistance.



Capesize Cal 25

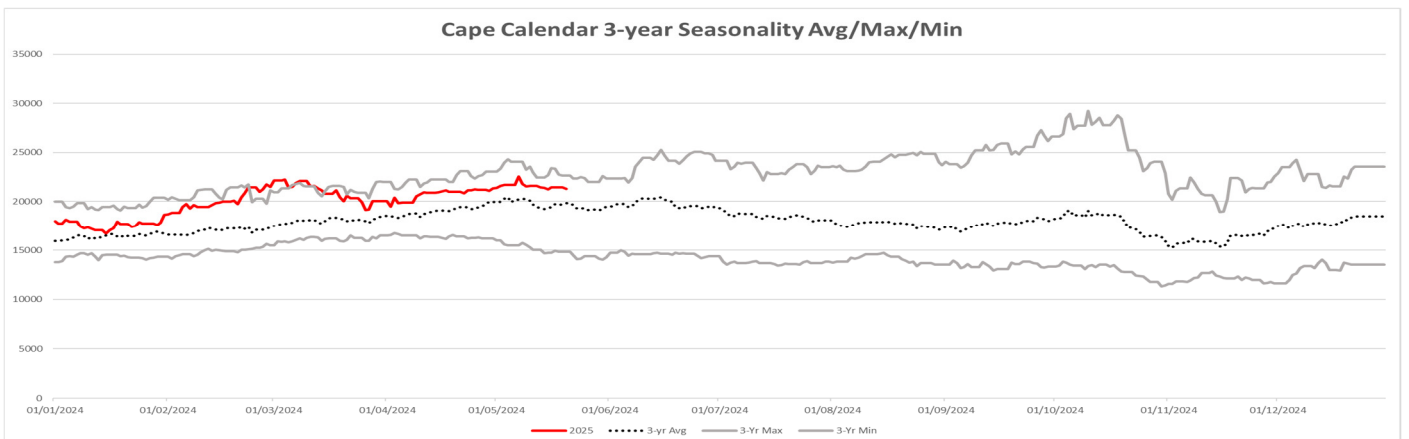


	Support	Resistance	Current Price	Bull	Bear
S1	20,983	R1	21,500	RSI above 50	
S2	20,500	R2	22,500		
S3	19,844	R3	22,750		

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is above 50 (52)
- Stochastic is oversold
- Technically bullish last week, the futures were in a corrective phase with the RSI below its moving average and the weekly pivot level (USD 21,766), near-term price action was showing signs of weakness. However, the average on the RSI was flat, implying momentum was neutral. Key support was at USD 19,844, if we held above this level then we had the potential to see another test to the upside. Likewise, if broken, then it would imply that the corrective phase was likely to be more complex, warning the USD 18,450 fractal low could come under pressure. We were cautious on downside moves at these levels, as below USD 21,250 we had the potential to see the intraday technical become divergent. Not a buy signal, it warned that we could see a momentum slowdown which would need to be monitored.
- The futures traded to a low of USD 20,875 before finding bid support resulting in price testing but failing to trade above the USD 21,500 intraday resistance. We are below the 8-21 period EMA's with the RSI below 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 held the 55-period EMA last week; however, the downside move means that the RSI is below and finding resistance on its MA. The averages have now started to flatten, implying a lack of directional bias, this also suggests that they are less likely to be respected. The futures are trading just above the weekly pivot level (USD 21,291), a close below this level will warn that sell side pressure is starting to increase. The technical is bullish, but we now lack directional bias, meaning buy-side momentum is starting to soften; warning support levels are starting to look more vulnerable. Market bulls will want to see the futures hold above the USD 21,291 level, whilst a move above that holds above the intraday resistance (USD 21,500) would suggest buy-side pressure is increasing.



Capesize C5 June (Rolling Front Month Heikin Ashi Chart)



	Support	Resistance	Current Price	Bull	Bear
S1	10.70	R1	11.12		
S2	10.03	R2	12.05	11.11	
S3	9,32	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 below the 8-21 period EMA
- RSI is at 50 (50)
- Stochastic is below 50
- Technically bullish but in a corrective phase on the last report, the MA on the RSI warned that we had light momentum support. We had opened below the weekly pivot level (USD 11.71), a close on the daily chart below this level would imply that sell side pressure was increasing. We were seeing a small rejection of the USD 12.05 level, suggesting caution on moves higher, this was countered by the RSI breaking resistance last week, as it suggested that downside moves looked like they could be countertrend, making USD 10.70 the key support to follow. If we held 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 maintained our view that downside moves look like they could be countertrend until the technical told us otherwise.
- The futures closed below the weekly pivot level resulting in the futures selling lower; however, we remain above the USD 10,70 support. We are below the 8-21 period EMA's with the RSI neutral at 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 (rejected), above this level we target the USD 13.09 fractal high.
- Technically bullish, the RSI is below its average, which is now flat, implying momentum is neutral. We have opened the weekly 1 cent below the weekly pivot level (USD 11.12), a close below this level will warn that the USD 10.70 support could be tested and broken. If it is, then the probability of the futures trading to a new high will start to decrease. A small bearish flag is now in play, implying support is now vulnerable.

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