



Capesize Technical Report

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

Index

Technically bearish with a neutral bias last week, we had conflicting indicators previously as price had moved back above the 200-period MA, but the deep pullback warned that upside moves could struggle to hold. The upside move failed to trade above the USD 26,595 resistance (high USD 26,059) before entering a corrective phase, meaning the RSI is starting to move below its MA whilst below the weekly pivot level (USD 25,465), warning the 200-period MA at USD 24,054 could come under pressure. This is a benchmark average, if we hold again, it will warn that there is an underlying support in the market, if broken, we target the secondary and primary trend support (USD 21,254 – USD 16,892).

July 24

Bearish last week with price rejecting the trend resistance. We noted that due to support levels at lower levels that the path of least resistance looked to be to the upside. We traded to a high of USD 27,125 taking the technical into bull territory; however, the futures have rejected trend support for a second time, resulting in a move lower. The stochastic is overbought whilst the RSI is below 50, momentum is warning that we could move lower, making USD 23,445 the key support to follow. If we hold support, then resistance levels should come under pressure; likewise, if broken, then we target the weekly 200-period MA at USD 22,048. Like last week, we remain cautious on downside moves due to the trend support line (USD 22,268), the weekly 200-period MA (USD 22,048) and the daily 200-period MA (USD 21,626).

Q3 24

Technically bullish, the downside move last week failed to close below the USD 23,900 level, resulting in the futures moving higher. However, we have rejected 55-period EMA with price producing a dominant bear candle yesterday, warning support levels could come under pressure in the near-term. As noted last week, intraday momentum indicators (4-hour RSI) will be in divergence below USD 23,125, suggesting cautious on downside breakouts below this level.

Cal 25

Unchanged on the technical this week, we remain bullish, but price action is neutral due to the futures being in consolidation. However, it is worth noting that the current correction is now twice the length in time of the March correction, with price seeing less than a 50% pullback. This is warning that there remains an underlying support in the market, implying caution on downside moves.

C5 July 24

Bearish with a neutral bias last week, we were cautious on downside moves below USD 9.42 as the futures would be in divergence with the RSI. We have seen a move higher but remain below the Fibonacci resistance zone. Momentum is conflicting, as the MA on the RSI is suggesting it has light support, whilst the RSI is below 50 with the stochastic is in overbought territory, implying we move lower. Like last week, we remain cautious on downside moves below USD 9.42 as the futures will be in divergence with the RSI. A cautious bear.

Capesize Index

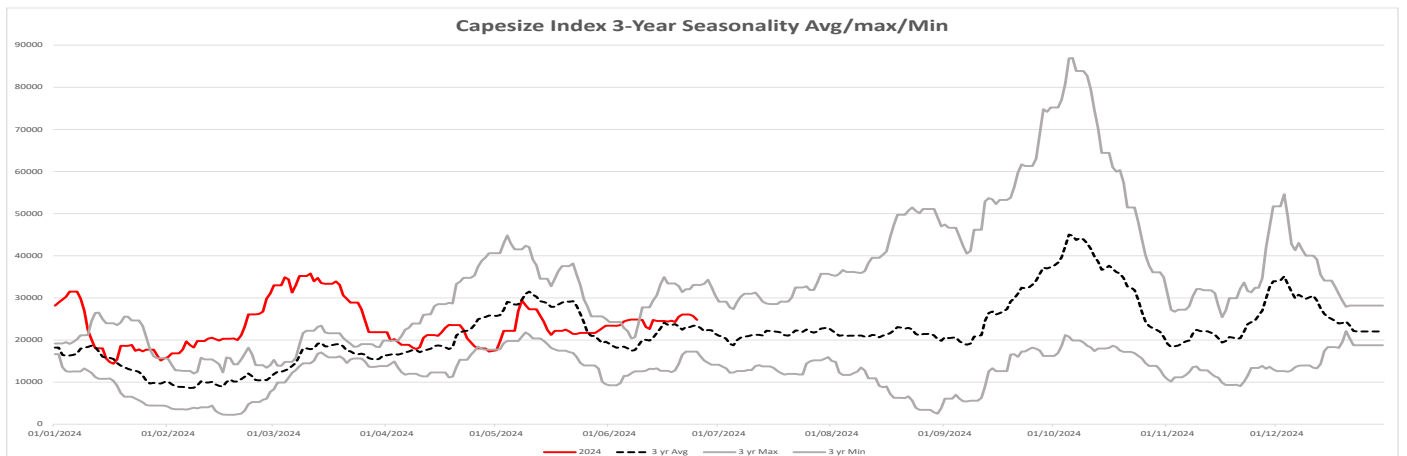


| | Support | Resistance | Current Price | Bull | Bear |
|----|---------|------------|---------------|--------------|-----------------------|
| S1 | 21,371 | R1 | 25,465 | RSI above 50 | Stochastic overbought |
| S2 | 17,253 | R2 | 26,595 | | |
| S3 | 15,130 | R3 | 30,481 | | |

Synopsis - Intraday

Source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is above 50 (53)
- Stochastic is overbought
- Price is below the weekly pivot point (USD 25,465)
- Technically bearish with a neutral bias last week, the MA on the RSI indicated that momentum was supported. However, the depth of the pullback in mid-May warned that the probability of the index trading to a new high has started to decrease. Countering this was the 200-period MA at USD 23,570; we noted that this was a benchmark average, the failure to hold below it previously warned that there was an underlying support in the market. We also had secondary trend support at USD 21,252, suggesting caution on downside breakouts. The technical was conflicting (neutral), as the support below implied caution on moves lower, yet the depth of the pullback warned that upside moves could struggle to hold. Market bulls would want to see the index above USD 26,595, whilst market bears needed to contend with near-term support, alongside primary support at USD 16,632.
- We traded to a high of USD 26,059 before entering a corrective phase. The index is now between the 8-21 period EMA's with the RSI above 50.
- Momentum based on price (MBP) is aligned to the sell side, a close above USD 25,478 will mean it is aligned to the buy side. Upside moves that fail at or below USD 26,595 will leave the index vulnerable to further tests to the downside, above this level the technical will be back in bullish territory.
- Technically bearish with a neutral bias, the index has rejected key resistance, meaning that RSI is now starting to move below its moving average. If we close below and hold below the average whilst price is below the weekly pivot level, it will warn that the 200-period MA (USD 24,054) could come under pressure. This is a benchmark average, if we hold again, it will warn that there is an underlying support in the market, if broken, we target the secondary and primary trend support (USD 21,254 – USD 16,892).



Capesize July 24 (1 Month forward)

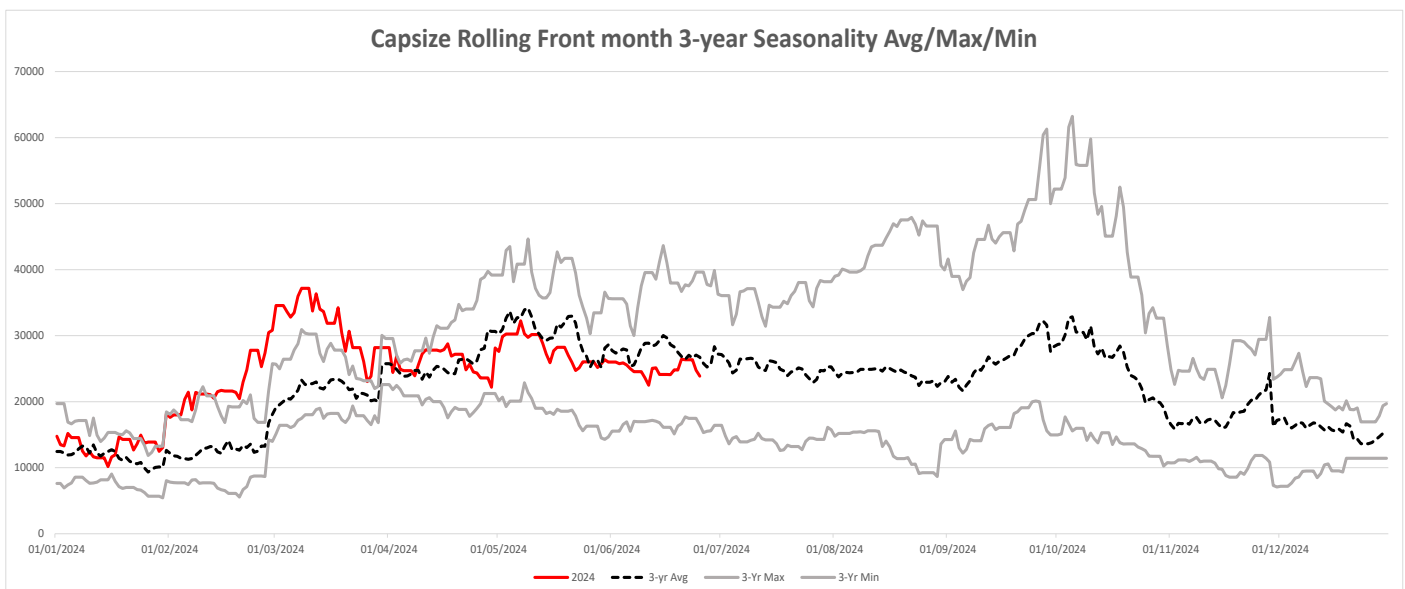


| | Support | Resistance | Current Price | Bull | Bear |
|----|---------|------------|---------------|------|--------------|
| S1 | 23,445 | R1 | 24,325 | | RSI below 50 |
| S2 | 22,268 | R2 | | | |
| S3 | 21,675 | R3 | | | |

Synopsis - Intraday

- Price is below the 8-21 period EMA's
- RSI is below 50 (46)
- Stochastic is overbought
- Technically bearish last week, we had a neutral bias due to the strength of the upside move, meaning that the probability of the futures trading to a new low had started to decrease. We had rejection candles off support and resistance; however, we also had the weekly 200-period MA at USD 22,028 and the daily at USD 21,330. For this reason, we had a note of caution on downside moves, as the path of least resistance looked to be to the upside.
- The futures held support with price trading above the USD 27,075 fractal resistance, meaning the technical is back in bullish territory. However, we have seen a technical pullback off trend resistance, putting price below the 8-21 period EMA's with the RSI below 50.
- Downside moves that hold at or above USD 23,445 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI is flat, implying momentum is neutral. However, the RSI is below 50 with the stochastic in overbought territory, warning we have the potential to see a move lower in the near-term, making USD 23,445 the key support to follow. If broken, we target the 200-period weekly MA at USD 22,048; likewise, if support holds then resistance levels should come back under pressure. Like last week, we remain cautious on downside moves due to the trend support line (USD 22,268), the weekly 200-period MA (USD 22,048) and the daily 200-period MA (USD 21,626).

Source Bloomberg



Capesize Q3 24

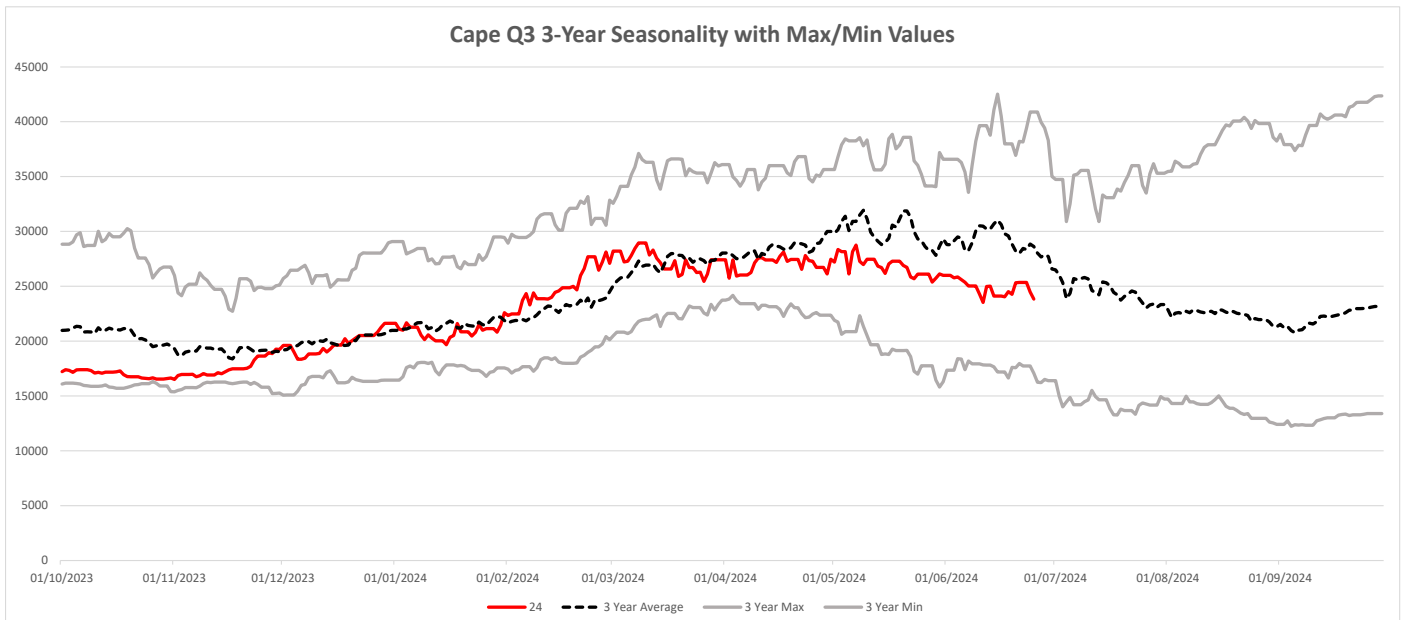


| | Support | Resistance | Current Price | Bull | Bear |
|----|---------|------------|---------------|------|--------------|
| S1 | 23,825 | R1 | 24,150 | | RSI below 50 |
| S2 | 22,975 | R2 | | | |
| S3 | 22,475 | R3 | | | |

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA
- RSI is below 50 (40)
- Stochastic is below 50
- Technically bullish with a neutral bias due to the break in the USD 24,625 fractal support last week. The bearish belt-hold candle pattern warned that the USD 23,125 fractal low could be broken in the near-term. We noted that a close below USD 23,900 would be below the low of the last dominant bull candle, supporting a move lower. However, intraday momentum indicators warned that below USD 23,125 the futures will be in divergence with the RSI, implying caution on downside breakouts.
- We failed to close below the USD 23,900 level last week resulting in the futures trading up to but rejecting the 55-period EMA. We remain below all key moving averages with the RSI below 50.
- Downside moves that hold at or above USD 22,975 will support a longer-term bull argument, below this level the technical will have a neutral bias.
- Technically bullish with a neutral bias, the MA on the RSI is flat implying momentum is neutral; however, we do have a small bearish rejection candle off the 55-period EMA followed by a dominant bear candle, warning support levels are looking vulnerable in the near-term. As noted last week, intraday momentum indicators (4-hour RSI) will be divergence below USD 23,125, suggesting cautious on downside breakouts below this level. A cautious bear.



Capesize Cal 25



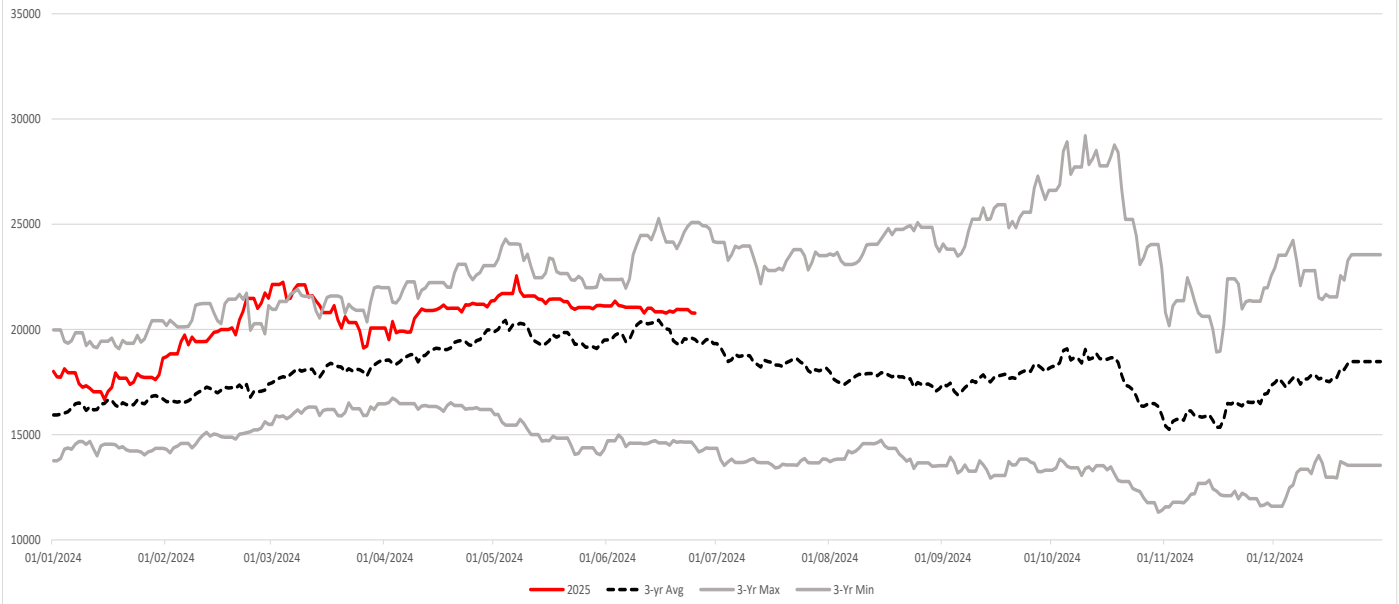
| | Support | Resistance | Current Price | Bull | Bear |
|----|---------|------------|---------------|------|--------------|
| S1 | 20,500 | R1 | 21,360 | | |
| S2 | 19,844 | R2 | 21,895 | | RSI below 50 |
| S3 | 19,324 | R3 | 22,550 | | |

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (47)
- Stochastic is below 50
- Technically bullish last week, we had seen a small move lower; however, the MA on the RSI is flat, indicating that momentum is neutral. Downside moves below USD 20,625 have the potential to create an intraday positive divergence with the RSI, not a buy signal, it warned that we could see a momentum slowdown.
- For this reason, we were cautious on downside breakouts. The futures continue to move sideways with price below the 8-21 period EMA's whilst the RSI is 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, price action is neutral due to it consolidating. However, it is worth noting that the current correction is now twice the length in time of the March correction, with price seeing less than a 50% pullback. This is warning that there remains an underlying support in the market, implying caution on downside moves.

Cape Calendar 3-year Seasonality Avg/Max/Min



Capesize C5 July (Rolling Front Month Heikin Ashi Chart)



| | Support | Resistance | Current Price | Bull | Bear |
|----|---------|------------|---------------|------|--------------|
| S1 | 9.42 | R1 | 10.41 | | |
| S2 | 9.32 | R2 | 10.72 | | RSI below 50 |
| S3 | 8.78 | R3 | 11.13 | | |

- 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 between the 8-21 period EMA
- RSI is at below 50 (45)
- Stochastic is overbought
- Technically bullish with a neutral bias last week, the MA on the RSI continued to indicate that momentum was weak. However, we noted that below USD 9.42 the futures would be in divergence with the RSI, warning we had the potential to see a momentum slowdown, implying caution on downside breakouts.
- The futures failed to trade to a new low with price trading up to but remaining below the USD 10,41 resistance.
- Upside moves that fail at or below USD 11.13 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, momentum is now conflicting, as the MA on the RSI is implying that we have light momentum support; however, the RSI is below 50 with the stochastic in overbought territory, warning that we could see a move lower. As noted last week, we remain cautious on downside moves below USD 9.42 as the futures will be in divergence with the RSI. A cautious bear.

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