



# Capesize Technical Report

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## Index

We were cautious on moves lower last week, as the downside move in the index was slowing as we approached the secondary trend support. We saw further acceleration to the downside, resulting in trend support being broken. The index is now testing fractal support at USD 21,218, if broken, then the technical is bearish based on price. The MA on the continues to suggest that momentum is weak; however, sell side pressure is slowing (again). If we close above the weekly pivot level (USD 22,624) it will indicate that buy-side pressure is increasing, whilst a close above the secondary trend support (USD 23,260) will further support a buyer's argument. A rejection of either of these resistance levels will warn that support levels are vulnerable. The slowing momentum whilst on fractal support is warning that downside moves could be limited from here.

## Aug 24

We were cautious on downside moves last week as price was approaching the daily and weekly 200-period MA's. The futures have continued to sell lower having closed below both averages; however, we are yet to see if we will hold below them. We are now finding bid support on an intraday divergence, warning sell side momentum is starting to slow, imply caution on downside moves at these levels. The roll into Sep on Wednesday, means that we will see price moving back above the longer-term averages, if we are also above the USD 23,772 resistance, then the probability of the futures trading to a new low will start to decrease. A cautious bear.

## Q4 24

The futures sold lower on the divergences highlighted last week, resulting in the technical entering bearish territory. However, we are now finding support in the consolidation zone that formed in the second half of May. A piercing line pattern is warning of buy-side support in the market, meaning we could see the USD 27,671 resistance come under pressure. If broken, then the probability of the futures trading to a new low will start to decrease. Although bearish, the upside move in the support zone is implying caution on downside moves at this point.

## Cal 25

We were cautious on upside breakouts above the USD 22,400 level last week, as it would create a negative divergence with the RSI. The futures failed to move higher, resulting in price entering a corrective phase. Momentum is now conflicting as the MA on the RSI implies that we have light momentum weakness. However, the RSI is above 50 whilst the stochastic is in oversold territory, warning we could be about to move higher, providing the RSI holds above the 50 level. The futures are also finding support on the 55-period EMA (intraday 4-hour 200-period MA), warning that there looks to be an underlying support in the market. This would suggest caution on downside moves at these levels.

## C5 Aug

Near-term price action was neutral last week, but momentum warned that we could move lower, meaning we needed to see a close above the above the weekly pivot level (USD 10.06) to signal that buy-side pressure was increasing. We sold lower on the weak momentum, resulting in the futures making a new low. However, the RSI is now testing support, meaning we have a minor positive divergence in play, warning we could see a momentum slowdown. For this reason, we are cautious on moves lower at this point.

# Capesize Index

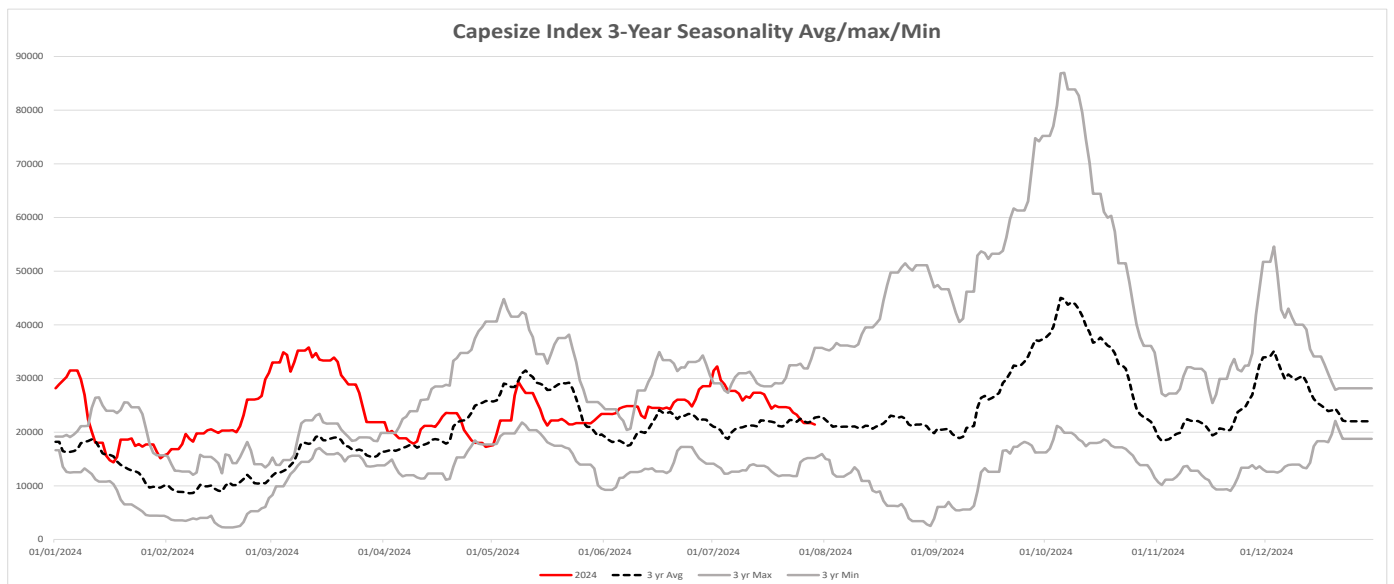


	Support	Resistance	Current Price	Bull	Bear
S1	21,218	R1	22,624	Stochastic oversold	RSI below 50
S2	19,236	R2	23,260		
S3	17,769	R3	25,675		

**Synopsis - Intraday**

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (39)
- Stochastic is oversold
- Price is below the weekly pivot point (USD 22,624)
- Technically bullish with a neutral bias last week, the probability of the futures trading to a new high had started to decrease. The MA on the RSI warned that momentum remained weak, implying that the secondary trend support at USD 22,925 could come under pressure. However, we were seeing a slowdown in price, if we closed above USD 24,980 MBP would become aligned to the buy side, warning that the weekly pivot at USD 25,363 could come under pressure. Sell side momentum was slowing as we approached trend support, suggesting caution on downside moves at this point.
- Sell side momentum increased again, resulting in the index trading below the secondary trend 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 22,835 will mean it is aligned to the buy side.
- We remain bullish with a neutral bias; below USD 21,218 the technical will be bearish. The MA on the RSI is implying that momentum is weak; however, sell side momentum (based on price) is again starting to slow. We now need to see the index close above the weekly pivot level (USD 22,624) to indicate that buy side pressure is increasing, whilst a close above the secondary trend support (USD 23,260) will further support a buyer's argument. A rejection of either of these resistance levels will warn that support levels are vulnerable. The slowing momentum whilst on fractal support is warning that downside moves could be limited from here.



# Capesize Aug 24 (1 Month forward)

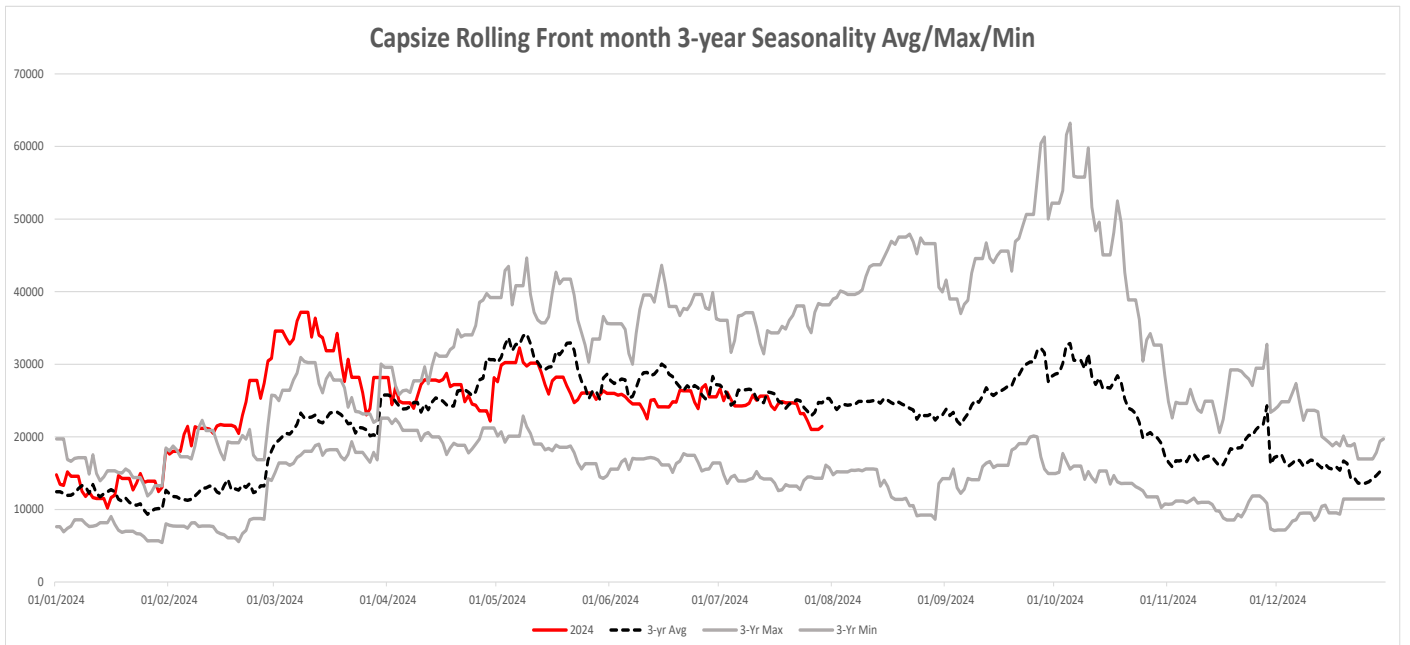


	Support	Resistance	Current Price	Bull	Bear
S1	20,727	R1	21,450	Stochastic oversold	RSI below 50
S2	19,248	R2			
S3	17,625	R3			

## Synopsis - Intraday

- Price is below the 8-21 period EMA's
- RSI is below 50 (40)
- Stochastic is oversold
- We remained bullish with a neutral bias last week, the probability of the futures trading to a new high had started to decrease. As noted previously we remained cautious on downside moves due to trend and moving average support. If we closed above the high of the last dominant bear candle (USD 25,625) it would also put price above trend resistance, warning resistance levels could come under pressure. Price action was neutral.
- Neutral price action last week, however, we were cautious on moves lower due to the daily and weekly 200-period MA's. The futures have sold lower with price currently below both longer-term averages (all key moving averages), whilst the RSI is below 50, the technical is now bearish.
- Upside moves that fail at or below USD 23,772 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI is implying that momentum remains weak at this point. However, the futures are finding bid support on the intraday positive divergence, warning sell side momentum is starting to slow, implying caution on downside moves. We roll into Sep on Wednesday, meaning we will see price moving back above the longer-term averages, if we are also above the USD 23,772 resistance, then the probability of the futures trading to a new low will start to decrease. A cautious bear.

Source Bloomberg



# Capesize Q4 24

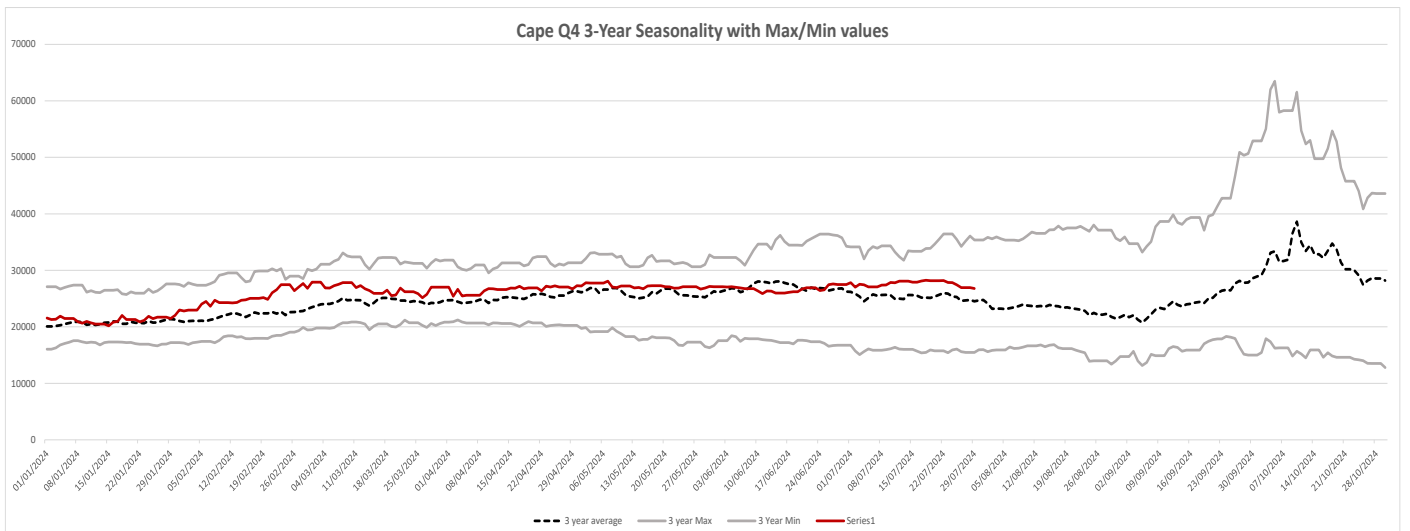


	Support	Resistance	Current Price	Bull	Bear
S1	26,550	R1	27,125	Stochastic oversold	RSI below 50
S2	26,226	R2			
S3	25,675	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA
- RSI is below 50 (48)
- Stochastic is oversold
- Technically bullish last week, the MA on the RSI warned that we had light momentum support. However, the new high last week had created a negative divergence with the RSI on both the daily and intraday technical. Not a sell signal, it warned that we had the potential to see a momentum slowdown, which needed to be monitored. A close below USD 27,825 would warn that the USD 27,268 Fibonacci support could come under pressure. Corrective moves lower that held at or above USD 26,750 (correction, this should have been 26,550) would support a longer-term, bullish Elliott wave cycle. We were cautious on upside moves due to the divergences in play. If the divergences failed, then it would suggest we would see upside continuation within the existing trend.
- The divergences held last week, resulting in the futures trading to a low of USD 26,500. We are below all key moving averages with the RSI below 50, the move below the USD 26,750 fractal support means that the technical is now bearish.
- Upside moves that fail at or below 27,671 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish. If the futures stay at these levels into the close (USD 27,125), then we will have a piercing line pattern in play, warning we are seeing buyside support in the market, meaning the USD 27,671 resistance could come under pressure. If broken, then the probability of the futures trading to a new low will start to decrease. Although bearish, we are seeing support around the consolidation area that formed in the second half of May (highlighted), implying caution on downside moves whilst in the support zone.



# Capesize Cal 25

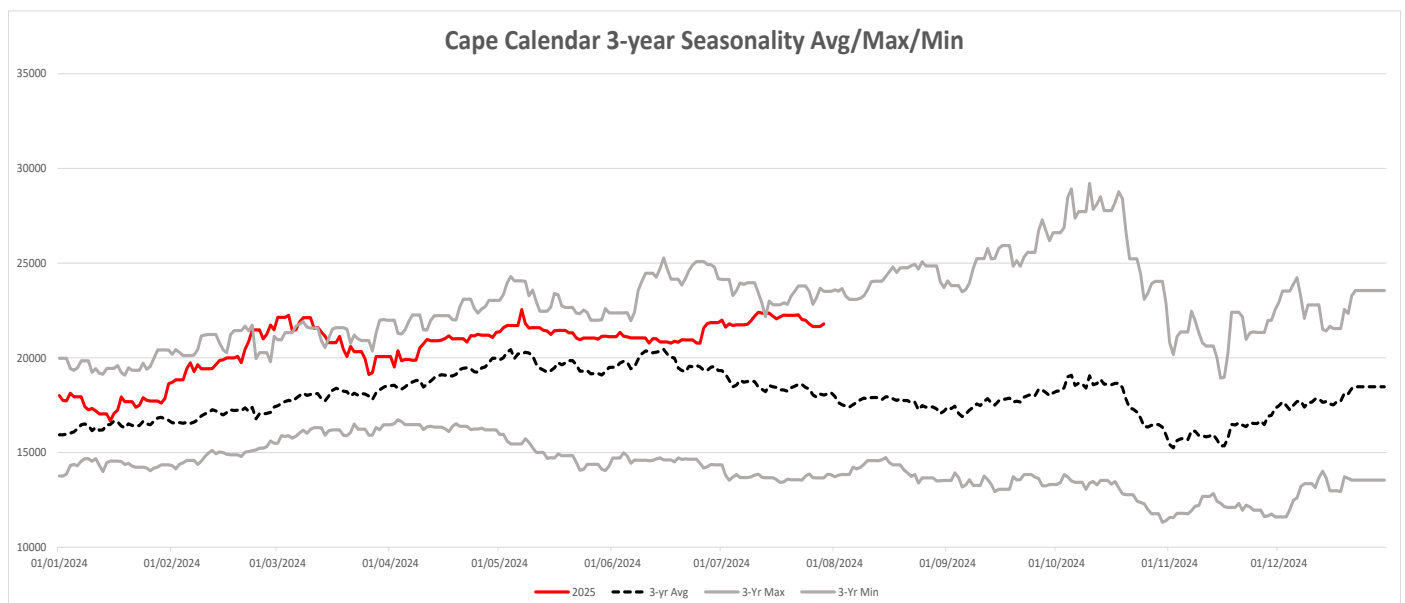


	Support	Resistance	Current Price	Bull	Bear
S1	20,500	R1	22,750	RSI above 50	
S2	19,844	R2	23,826		
S3	19,324	R3	25,288		

## Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (51)
- Stochastic is above 50
- Technically bullish last week, in theory the technical suggested that the futures should test and trade above the USD 22,750 fractal high from the 04/03/24. However, upside moves above USD 22,400 would create a negative divergence with the RSI. Not a buy signal it warned that we could see a momentum slowdown, suggesting caution on upside breakouts.
- The futures failed to trade above the USD 22,400 level resulting in a technical pullback. We are below 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 but in a corrective phase. Momentum is now conflicting as the MA on the RSI implies that we have light momentum weakness. However, the RSI is above 50 whilst the stochastic is in oversold territory, warning we could be about to move higher, providing the RSI holds above the 50 level. The futures are also finding support on the 55-period EMA (intraday 4-hour 200-period MA), warning that there looks to be an underlying support in the market. This would suggest caution on downside moves at these levels.



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



	Support	Resistance	Current Price	Bull	Bear
S1	9.32	R1	9.81	Stochastic oversold	RSI below 50
S2	8.78	R2	10.17		
S3	8.24	R3	10.61		

- 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 below 50 (35)
- Stochastic is oversold
- Technically bearish last week the MA on the RSI warned that we had light momentum weakness. A close below the weekly pivot level (USD 10.06) would imply that sell side pressure is increasing, warning the USD 9.82 support could come back under pressure. Likewise, a close above the high of the last dominant bear candle (USD 10.23) would indicate that buy-side pressure is increasing. Having rejected key resistance but held key support, near-term price action was neutral; however, momentum warned support levels were still vulnerable, meaning the futures need to hold above the USD 10.06 level.
- The futures failed to close above the USD 10.06 level, resulting in a move lower. Price is below all key moving averages with the RSI below 50.
- Upside moves that fail to or below USD 10.17 will leave the futures vulnerable to further tests to the downside. Above this level the technical will have a neutral bias.
- Technically bearish, the futures are testing RSI support, meaning we have a minor positive divergence in play. Not a buy signal, it is a warning that we could see a momentum slowdown, implying caution on downside moves at these levels whilst the divergence is in play.

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