



Capesize Technical Report

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Index

The index failed to produce a close above the weekly pivot level last week, resulting in the futures selling lower. However, we remain in divergence with the RSI, with signs that sell side momentum is starting to slowdown. Like last week, we have a note of caution on moves lower whilst the divergence is in play.

Jan 25

The futures did trade below the USDS 10,425 fractal low last week resulting in price moving higher on the back of the divergence with the RSI. We remain bearish but are seeing sell side momentum slow down, warning we could test the USD 12,750 fractal high: if broken, then the technical will be bullish. A cautious bear, as resistance levels are looking vulnerable.

Q1 25

The futures did test and break the USD 10,700 fractal support last week; however, we are moving higher due to the positive divergence that is now in play, warning USD 11,739 resistance could be tested and broken. If it is, then the probability of the futures trading to a new low will start to decrease, whilst above USD 12,500 the technical will be bullish. Due to the divergence in play, we now have a note of caution on moves lower at these levels.

Cal 25

Technically bearish, the futures did break the USD 17,675 fractal low last week, creating a positive divergence with the RSI, resulting in a small move higher, warning resistance levels could come under pressure. We remain cautious on downside breakouts below USD 17,350, as this will create further intraday divergences with the RSI. However, unlike the Jan and Q1 contracts, our intraday Elliott wave analysis continues to suggest caution on upside moves at this point.

C5 Jan 25

Technically bearish last week, we had a note of caution as oversold momentum indicators suggested caution on moves lower. The futures traded to a low of USD 6.84 before finding light bid support, meaning faster moving momentum has now left oversold territory, indicating we are seeing signs of support. If the futures close above and hold above the weekly pivot level (USD 6.95) it will imply that buy-side pressure is increasing, warning resistance levels could come under pressure.

Capesize Index

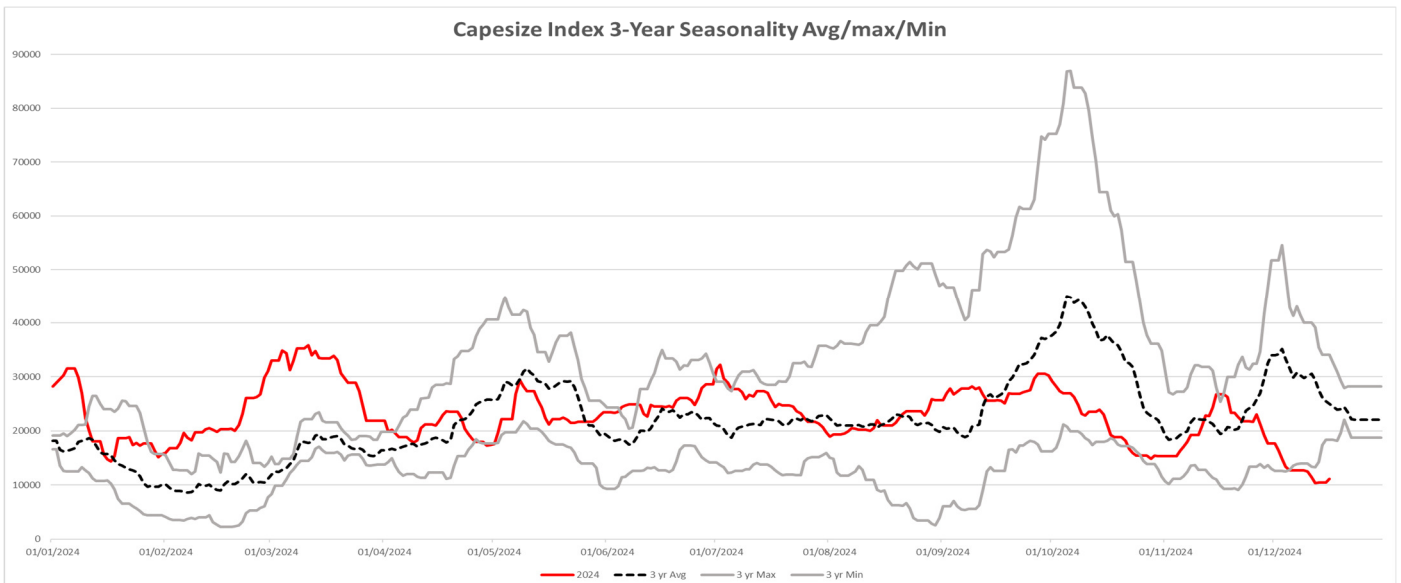


	Support	Resistance	Current Price	Bull	Bear
S1	10,990	R1	16,644	RSI below 50	Stochastic oversold
S2	6,727	R2	18,579		
S3	3,096	R3	21,202		

Synopsis

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (31)
- Stochastic is oversold
- Price is below the weekly pivot point (USD 11,186)
- Technically bearish last week, the MA on the RSI implied that momentum was weak; however, the new low meant that price was in divergence with the RSI, not a buy signal, it warned that we could see a momentum slowdown which needed to be monitored. A close above MBP would imply that we were starting to see support, whilst a close above the weekly pivot level (USD 13,926) would warn that resistance levels could come under pressure. Bearish, but with a note of caution due to the divergence.
- The futures failed to close above the MBP or weekly pivot level last week, resulting in the index selling to a low of USD 10,382. We are seeing light bid support but remain below all key moving averages supported by the RSI below 50.
- Momentum based on price (MBP) is aligned to the sell side, a move above USD 11,174 will mean it is aligned to the buy side. Upside moves that fail at or below USD 21,202 will leave the index vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Unchanged on the technical this week; the MA on the RSI continues to imply momentum is weak, whilst the RSI is still in divergence. A close above the weekly pivot level (USD 11,186) will warn buy side pressure is increasing, leaving the futures vulnerable to a move higher. Like last week, we have a note of caution on moves lower whilst the divergence is in play.



Capesize Jan 25 (1 Month forward)

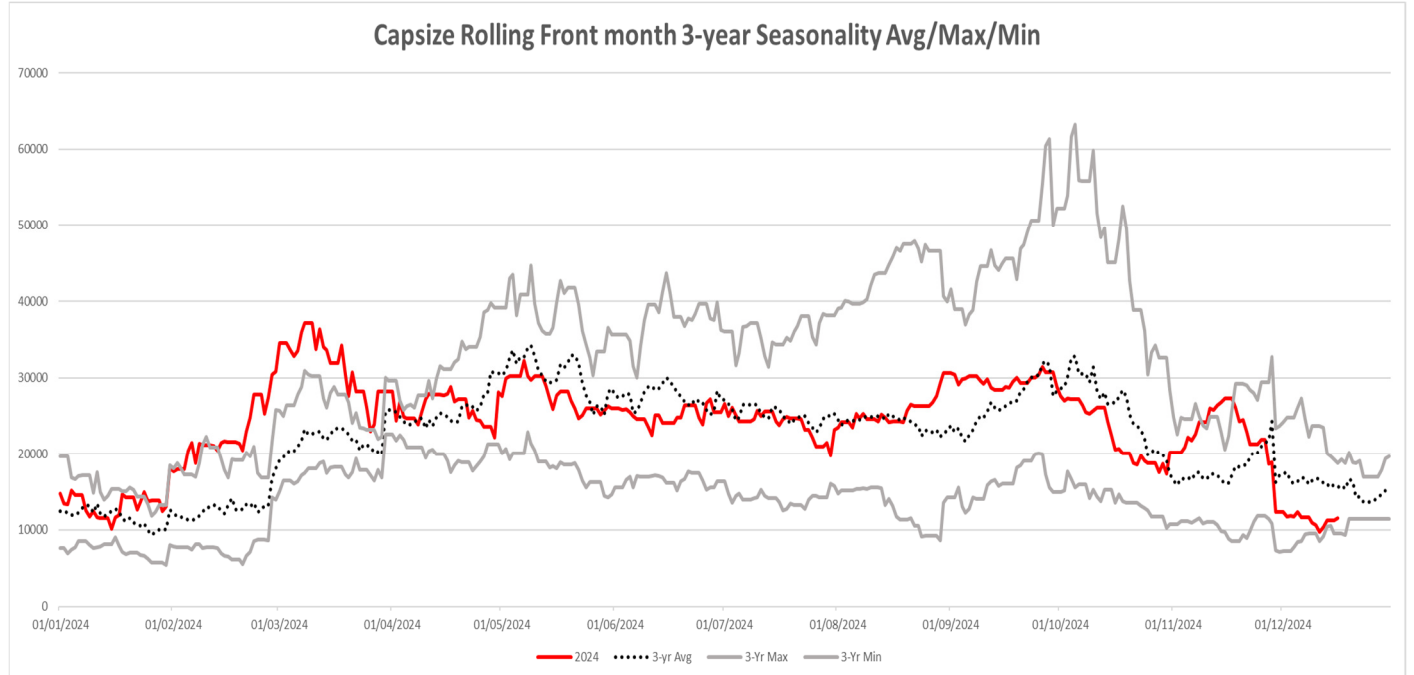


	Support	Resistance	Current Price	Bull	Bear
S1	9,600	R1	12,750	Stochastic oversold	RSI below 50
S2	6,131	R2	16,552		
S3	4,087	R3	18,700		

Synopsis

- Price is below the 8-21 period EMA's
- RSI is below 50 (34)
- Stochastic is oversold
- Technically bearish last week, our Elliott wave analysis continued to suggest that upside moves were countertrend, warning that the USD 10,425 fractal low could be tested and broken. In theory, textbook Elliott wave suggest we could trade as low as USD 2,043. In reality, below USD 10,425, the futures would be in divergence with the RSI, implying caution on downside breakouts below this level.
- The futures traded to a low of USD 9,600 before finding light bid support on the back of the divergence with the RSI. We remain below all key moving averages with the RSI below 50.
- Upside moves above USD 12,750 will mean that the technical is bullish; however, key resistance from an Elliott wave perspective is at USD 21,612, upside moves that fail at or below this level will warn that there could be a larger, bearish wave cycle in play.
- Technically bearish, the move below USD 10,425 has created both a daily and intraday divergence. Not a sell signal, they do warn that we could see a momentum slowdown which needs to be monitored. We are now cautious on downside moves at these levels, as the divergence is warning that resistance levels could be tested and broken.

Source Bloomberg



Capesize Q1 25

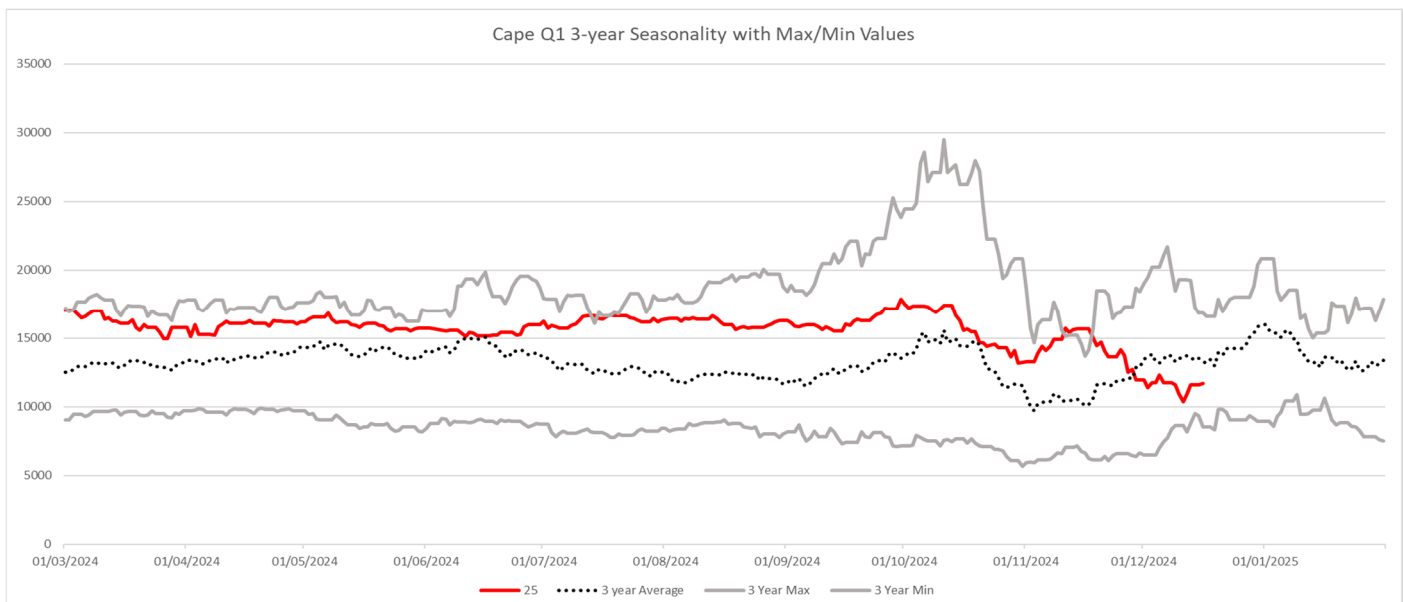


	Support	Resistance	Current Price	Bull	Bear
S1	10,274	R1	11,739	Stochastic oversold	RSI below 50
S2	9,587	R2	12,500		
S3	8,900	R3	13,756		

Synopsis

Source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is below 50 (35)
- Stochastic is oversold
- Technically bearish last week, the MA on the RSI implied that momentum remained weak. The futures were moving lower with our Elliott wave analysis suggesting the USD 10,700 fractal support would be testing and broken. We noted that we had a potential downside target at USD 8,900 for this phase of the cycle; however, below USD 10,700 the futures would be in divergence with the RSI, not a buy signal, it warned that we could see a momentum slowdown and needed to be monitored.
- The futures sold to a low of USD 10,262.5 before finding bid support on the divergence. Price is between the 8-21 period EMA's with the RSI below 50.
- Upside moves that fail at or below USD 11,739 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 moving higher due to the positive divergence with the RSI, warning the USD 11,739 resistance could be tested and broken. If it is, then the probability of the futures trading to a new low will start to decrease, whilst above USD 12,500 the technical will be bullish. Due to the divergence in play, we now have a note of caution on moves lower at these levels.



Capesize Cal 25

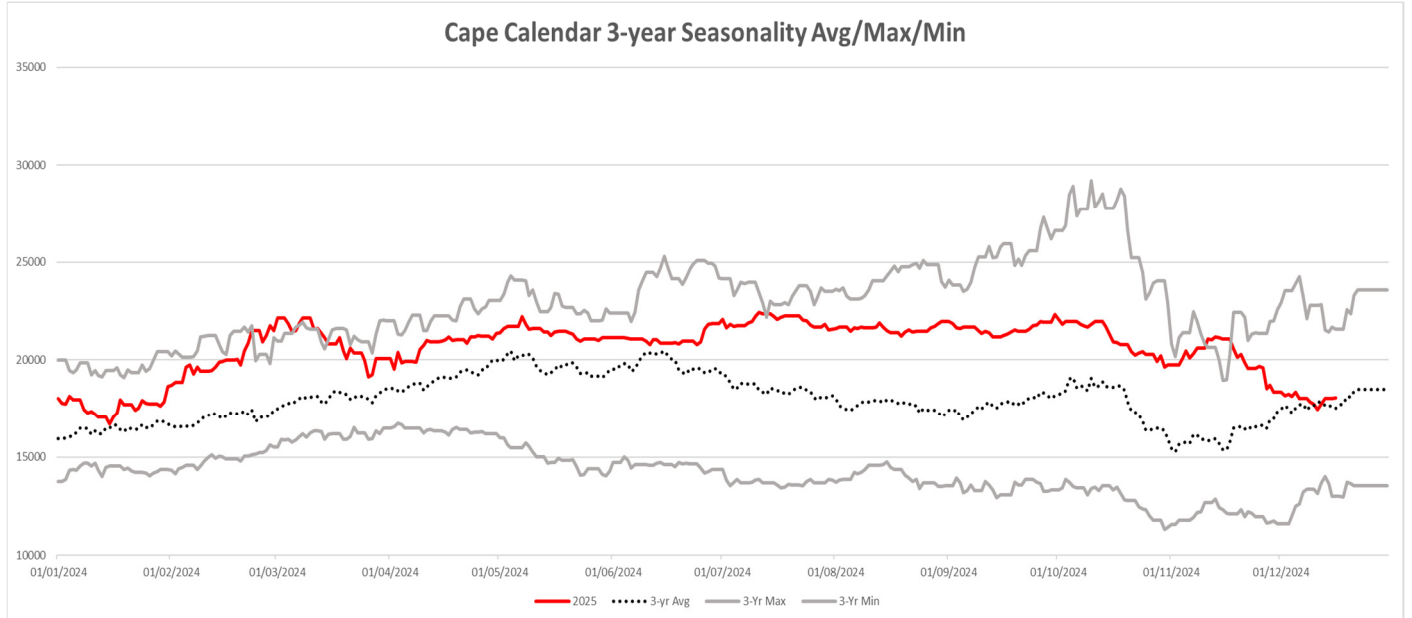


	Support	Resistance	Current Price	Bull	Bear
S1	16,910	R1	18,963	Stochastic oversold	RSI below 50
S2	16,450	R2	19,462		
S3	15,989	R3	20,138		

Source Bloomberg

Synopsis

- Price is between the 8-21 period EMA's
- RSI is below 50 (37)
- Stochastic is oversold
- Technically bearish last week, the MA on the RSI is implied that momentum remained weak. Lower timeframe Elliott wave analysis suggested that the USD 17,675 fractal low would be tested and broken, it also suggested that we had the potential to trade as low as USD 15,989 within this phase of the cycle. However, below USD 17,675 the intraday futures would be in divergence with the RSI, meaning we have a note of caution on downside breakouts below this level.
- The futures traded to a low of USD 17,350 before finding light bid support due to the divergence. Price is between the 8-21 period EMA's with the RSI below 50.
- Upside moves that fail at or below USD 20,138 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 moving higher on the positive divergence with the RSI, warning resistance levels could come under pressure. We remain cautious on downside breakouts below USD 17,350, as this will create further intraday divergences with the RSI. However, unlike the Jan and Q1, our intraday Elliott wave analysis continues to suggest caution on upside moves at this point.



Capesize C5 Jan 25 (Rolling Front Month Heikin Ashi Chart)



Support		Resistance		Close Price	Bull	Bear
S1	7.01	R1	8,33	7.06	Stochastic oversold	RSI below 50
S2	6.68	R2	8.80			
S3	6.35	R3	9.42			

Synopsis

- 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's
- RSI is below 50 (31)
- Stochastic is oversold
- Current price USD 7.05
- Technically bearish last week, the MA on the RSI indicated that momentum remained weak; however, we were in divergence, not a buy signal, it warned that we could see a momentum slowdown. Faster moving oscillators are also in oversold territory, suggesting caution on moves lower at those levels. A cautious bear. Upside moves had previously been considered as counter-trend; however, we noted that we had seen a higher close, but did not have intraday price action. Having seen the 5TC averages reject upside moves, we suspected that the one close higher had been the pullback that we were looking for.
- The futures traded to a low of USD 6.84 before finding light bid support on the oversold momentum. We remain below all key moving averages supported by the RSI below.
- Upside moves that fail at or below USD 9.42 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; however, faster moving momentum indicators have now left oversold territory, suggesting we are seeing signs of support. If the futures close above and hold above the weekly pivot level (USD 6.95) it will indicate that buyside pressure is increasing, warning resistance levels could come under pressure.

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