



Capesize Technical Report

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

Index

Bearish last week, we remained cautious on downside moves. The index sold lower but failed to trade below the USD 8,945 fractal support, resulting in price moving higher. The MA on the RSI continues to imply that momentum is supported, whilst the upside move on the positive divergence with the RSI is warning that the Fibonacci resistance zone could come under pressure in the near-term. If we do trade above the USD 20,714 resistance, then the probability of the index trading to a new low will start to decrease; Likewise, a close below the weekly pivot point (USD 11,047) will warn that sell side pressure is increasing.

Feb 25

Bearish on the last report, we had a note of caution on downside moves due to divergences with the RSI on both intraday and daily timeframes. We are moving higher due to the divergence, warning the USD 12,750 fractal resistance could be tested and broken; if it is, then the technical is bullish based on price. As noted in the intraday morning technical, if fractal resistance is broken, then the market could potentially look to close the bearish gap (USD 17,700). However, as noted previously, our Elliott wave analysis suggests that upside moves should in theory be countertrend, making USD 21,450 the key resistance to follow on this technical.

Q2 25

The futures traded to a low of USD 16,200; however, the move failed to hold due to the divergence with the RSI. Having moved higher, the technical is now bullish, with the MA on the RSI implying momentum is supported, warning resistance levels are now vulnerable. If we close above and hold above the 55-period MA (USD 17,839) it will further support a near-term bull argument. However, our intraday Elliott wave analysis is suggesting that the upside moves looks like it could be countertrend, making USD 19,120 the key resistance to follow. If broken, then the probability of the futures trading to a new high will start to decrease.

Cal 26

Bearish with upside moves considered as countertrend last week, the futures traded to a low of USD 17,600; however, due to a positive divergence the downside move failed to hold. We are now bearish with a neutral bias, above USD 18,425 the technical is bullish based on price. The MA on the RSI is implying that momentum remains supported at this point, warning that USD 18,425 fractal resistance could be tested and broken. It looks like we could be about to complete this phase of the bearish wave cycle (if we trade above USD 18,425); however, upside moves that fail at or below USD 20,256 will warn that there could be a larger bearish wave cycle in play.

C5 Feb 25

The RSI rejected resistance last week, resulting in the futures trading to a new low; However, the downside move failed to low due to the divergence in play, resulting in a move above the 6.91 resistance, meaning technical is now bullish. Technically bullish, our Elliott wave analysis suggests that upside moves should in theory be countertrend, making USD 9.31 the key resistance to follow. A move above this level will warn that the probability of the futures trading to a new low will start to decrease. The MA on the RSI implies that momentum is supported, whilst below USD 6.52 will create further positive divergences with the RSI, meaning we remain cautious on downside moves at these levels.

Capesize Index

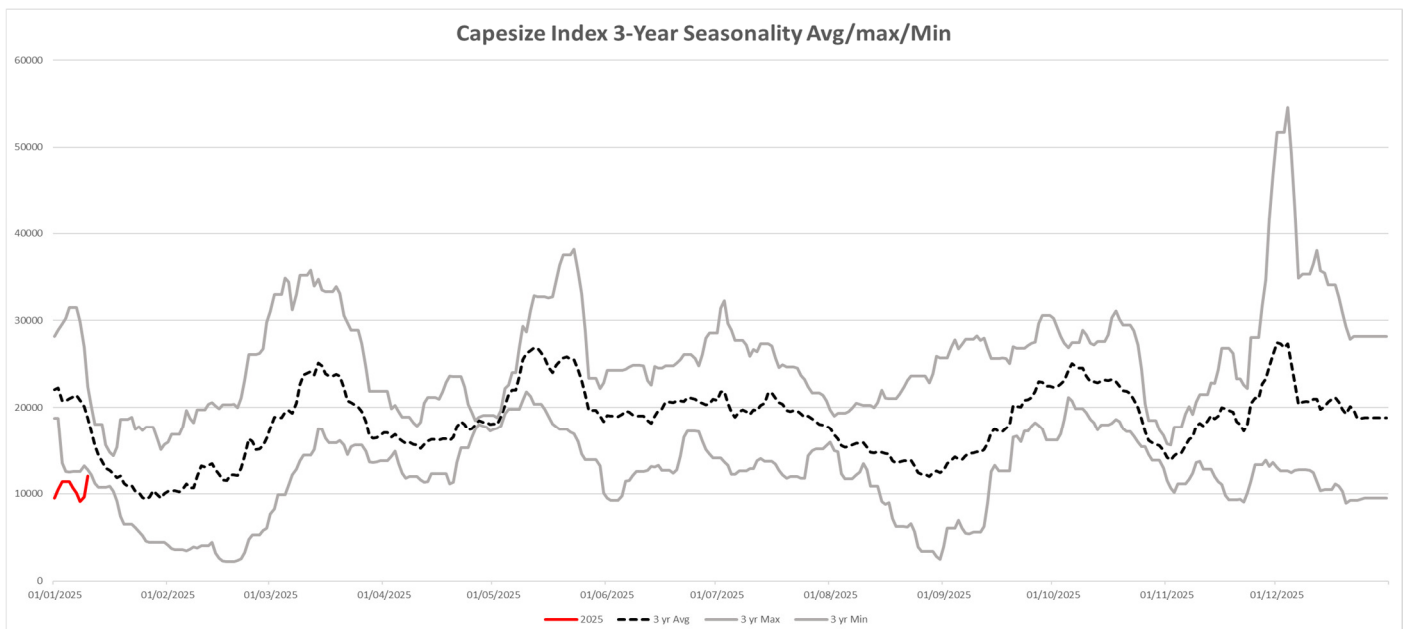


Support	Resistance	Current Price	Bull	Bear
S1	11,047	R1	15,756	RSI below 50
S2	8,945	R2	17,861	
S3	6,727	R3	20,714	

Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is below 50 (48)
- Stochastic is at 50
- Price is above the weekly pivot point (USD 11,047)
- Technically bearish last week, the MA on the RSI was starting to turn higher, implying we were seeing momentum support. We had moved higher due to a positive divergence, whilst a move below USD 8,945 would create further divergences, indicating caution on downside breakouts. We maintained a cautious view on downside moves at those levels.
- Having traded to a low of USD 9,123 the index held above the fractal low, resulting in a move higher. We are above the 8-21 period EMA's with the RSI below 50.
- Momentum based on price (MBP) is aligned to the buyside, a move below USD 10,159 will mean it is aligned to the sell side. Upside moves that fail at or below USD 20,714 will leave the index vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI continues to imply that momentum is supported at this point. The downside move failed to hold due to the positive divergence with the RSI, warning the Fibonacci resistance zone could come under pressure in the near-term. If we do trade above the USD 20,714 resistance, then the probability of the index trading to a new low will start to decrease; Likewise, a close below the weekly pivot point (USD 11,047) will warn that sell side pressure is increasing.



Capesize Feb 25 (1 Month forward)

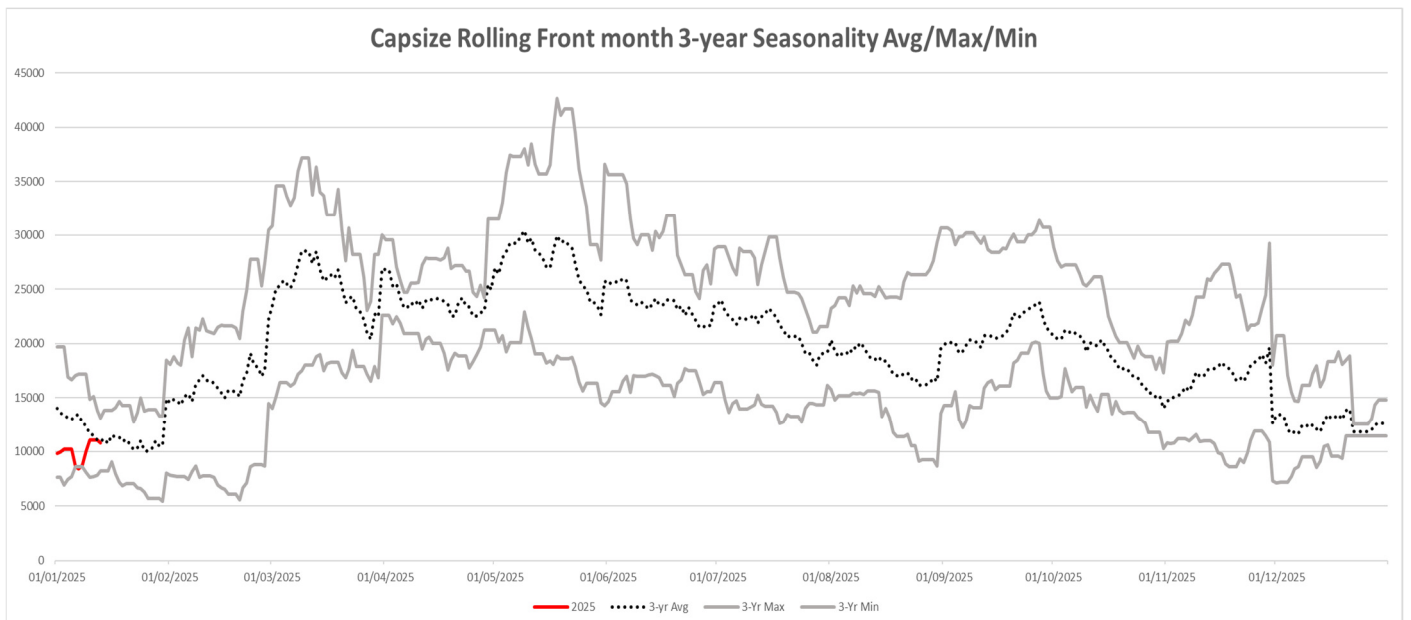


	Support	Resistance	Current Price	Bull	Bear
S1	7,900	R1	12,750		RSI below 50
S2	6,131	R2	15,501		
S3	4,087	R3	17,850		

Synopsis

- Price is between the 8-21 period EMA's
- RSI is below 50 (35)
- Stochastic is above 50
- Technically bearish last week, we noted that both the intraday and daily RSI's remained in divergence, warning we have the potential to see a momentum slowdown. However, as noted previously, our Elliott wave analysis suggested that upside moves should in theory be countertrend, making USD 21,450 the key resistance to follow on this technical. We were a cautious bear due to the divergence in play.
- The futures have seen a move higher on the back of the positive divergences with the RSI. We are above the 8-21 period EMA's with the RSI above 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 21,034, 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 higher on the positive divergence warns that the USD 12,750 fractal resistance could be tested and broken; if it is, then the technical is bullish based on price. As noted in the intraday morning technical, if fractal resistance is broken, then the market could potentially look to close the bearish gap (USD 17,700). However, as noted previously, our Elliott wave analysis suggests that upside moves should in theory be countertrend, making USD 21,450 the key resistance to follow on this technical.

Source Bloomberg



Capesize Q2 25

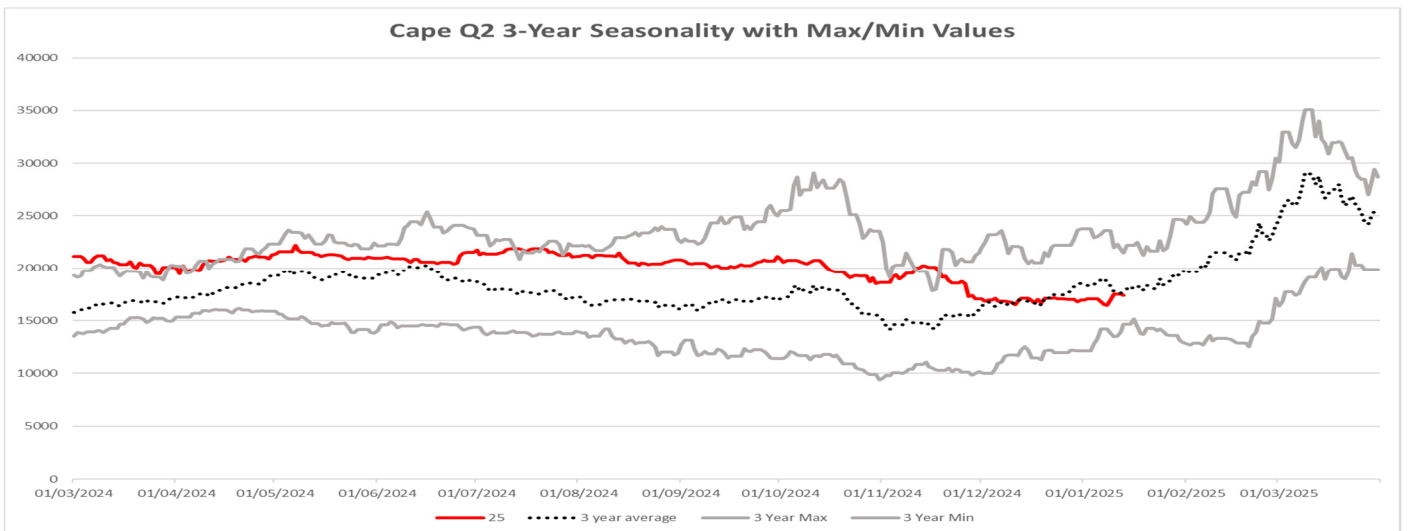


	Support	Resistance	Current Price	Bull	Bear
S1	17,127	R1	17,890		
S2	16,710	R2	18,412		RSI below 50
S3	16,200	R3	19,120		

Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is below 50 (48)
- Stochastic is above 50
- Technically bearish last week, the MA on the RSI implied that momentum was supported. Elliott wave analysis indicated that upside moves looked to be countertrend, making USD 19,180 the key resistance to follow; if broken, then the probability of the futures trading to a new low would start to decrease. If we traded below USD 16,375, our Fibonacci projection levels suggest we could trade as low as USD 14,160 within this phase of the cycle. However, a new low would create a positive divergence with the RSI; not a buy signal, it warned that we could see a momentum slowdown, which will need to be monitored.
- The futures traded to a low of USD 16,200 before moving higher on the positive divergence with the RSI. The move above the USD 17,250 fractal resistance means the technical is bullish based on price. We are above the 8-21 period EMA's with the RSI below 50.
- Downside moves that hold at or above USD 16,710 will support a bull argument, below this level the technical will have a neutral bias. Likewise, upside moves that fail at or below USD 19,120 will warn that there is a larger, bearish Elliott wave cycle in play.
- Technically bullish, The MA on the RSI is indicating that momentum is supported at this point, warning resistance levels remain vulnerable. If we close above and hold above the 55-period MA (USD 17,839) it will further support a near-term bull argument. However, our intraday Elliott wave analysis is suggesting that the upside moves look like it could be countertrend, making USD 19,120 the key resistance to follow. If broken, then the probability of the futures trading to a new high will start to decrease.



Capesize Cal 26

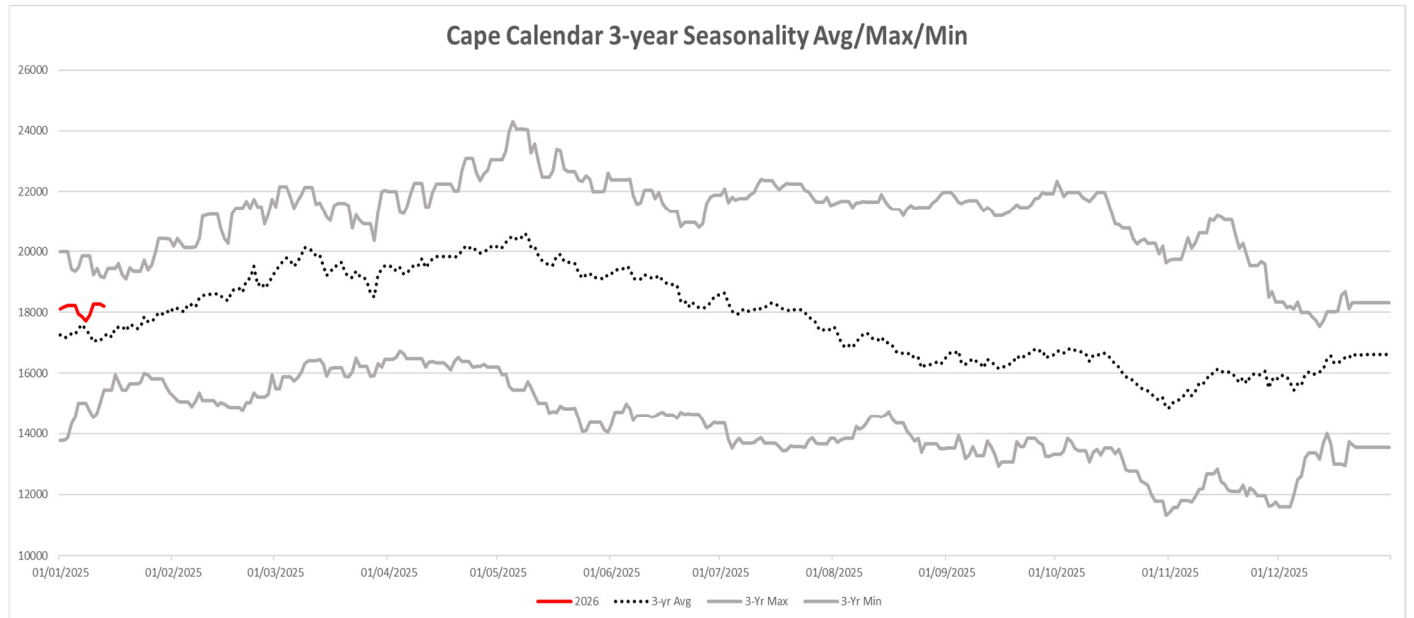


	Support	Resistance	Current Price	Bull	Bear
S1	17,600	R1	19,137		
S2	17,011	R2	19,612		RSI below 50
S3	16,575	R3	20,256		

Source Bloomberg

Synopsis

- Price is above the 8-21 period EMA's
- RSI is below 50 (42)
- Stochastic is below
- Technically bearish last week, the MA on the RSI implied momentum was supported. Elliott wave analysis suggested that upside moves look like they could be countertrend, making USD 19,762 the key resistance to follow; above this level the probability of the futures trading to a new low will start to decrease. A close above the weekly pivot point (USD 18,250), will imply that buyside pressure is increasing in the near-term, warning resistance levels could come under pressure.
- The futures traded to a low of USD 17,600; however, the move failed to hold due to a positive divergence with the RSI, resulting in a move higher. We are above the 8-21 period EMA's with the RSI above 50.
- Upside moves that fail at or below USD 20,256 (revised higher) will leave the futures vulnerable to further tests to the downside, above this level the probability of there being a larger, bearish Elliott wave cycle will start to decrease.
- Technically bearish with a neutral bias, above USD 18,425 the technical is bullish based on price. The MA on the RSI is implying that momentum remains supported at this point, warning that USD 18,425 fractal resistance could be tested and broken. It looks like we could be about to complete this phase of the bearish wave cycle (if we trade above USD 18,425); however, upside moves that fail at or below USD 20,256 will warn that there could be a larger bearish wave cycle in play.



Capesize C5 Feb 25 (Rolling Front Month Heiken Ashi Chart)



	Support	Resistance	Close Price	Bull	Bear
S1	6.52	R1	8,14	7.06	RSI below 50
S2	5.06	R2	8.64		
S3	4.50	R3	9.31		

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 above the 8-21 period EMA's
- RSI is below 50 (41)
- Stochastic is below 50
- Current price USD 6.92
- Technically bearish last week, the futures had moved higher due to a positive divergence with the RSI; however, the RSI looked to be in the process of rejecting an old support level (highlighted), warning the USD 6.58 fractal low could come under pressure. Downside moves below USD 6.58 would create a second divergence with the RSI, implying caution on moves below this level. Bearish, support looked vulnerable; however, with the positive divergence in play we had a more neutral view at those levels.
- The RSI rejected resistance, the futures traded to a low of USD 6.52; however, due to the divergence, the downside move failed to hold. The upside move above USD 6.91 means the technical is bullish based on price. We closed above the 8-21 period EMA's (current price is between them, this is a close only chart) with the RSI below 50.
- Upside moves that fail at or below USD 9.31 will leave the futures vulnerable to further tests to the downside, above this level the Elliott wave cycle will have a neutral bias.
- Technically bullish, our Elliott wave analysis suggests that upside moves should in theory be countertrend, making USD 9.31 the key resistance to follow. A move above this level will warn that the probability of the futures trading to a new low will start to decrease. The MA on the RSI implies that momentum is supported, whilst below USD 6.52 will create further positive divergences with the RSI, meaning we remain cautious on downside moves at these levels.

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