



Capesize Technical Report

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Index

The index failed to produce a bullish close last week, resulting in price selling lower. We remain in divergence with price now slowing down, meaning we remain cautious on moves lower at these levels. A close above the weekly pivot level (USD 7,391) will imply that buy-side pressure is increasing, warning resistance levels could come under pressure.

March 25

The Feb futures continued to move higher on the back of the positive divergence with the RSI last week, before gapping higher on the roll into March. This resulted in the USD 11,500 resistance being broken, implying the lower timeframe Elliott wave cycle has completed, suggesting downside moves should be considered as countertrend. However, we are trading two standard deviations above the linear regression line, meaning we are cautious on moves higher in the very near-term.

Q2 25

We were cautious on downside moves last week due to the divergence in play, resulting in the futures moving above the USD 17,147 resistance. The upside moves mean that the probability of the futures trading to a new low will start to decrease, meaning we remain cautious on moves lower at this point. We are testing the 55-period EMA (USD 17,391), a close above the holds above the average will warn that the USD 17,700 fractal resistance could be tested and broken; if it is, then the technical will be bullish. The futures are at an inflection point, meaning we have a note of caution on moves higher whilst below the 55-period EMA.

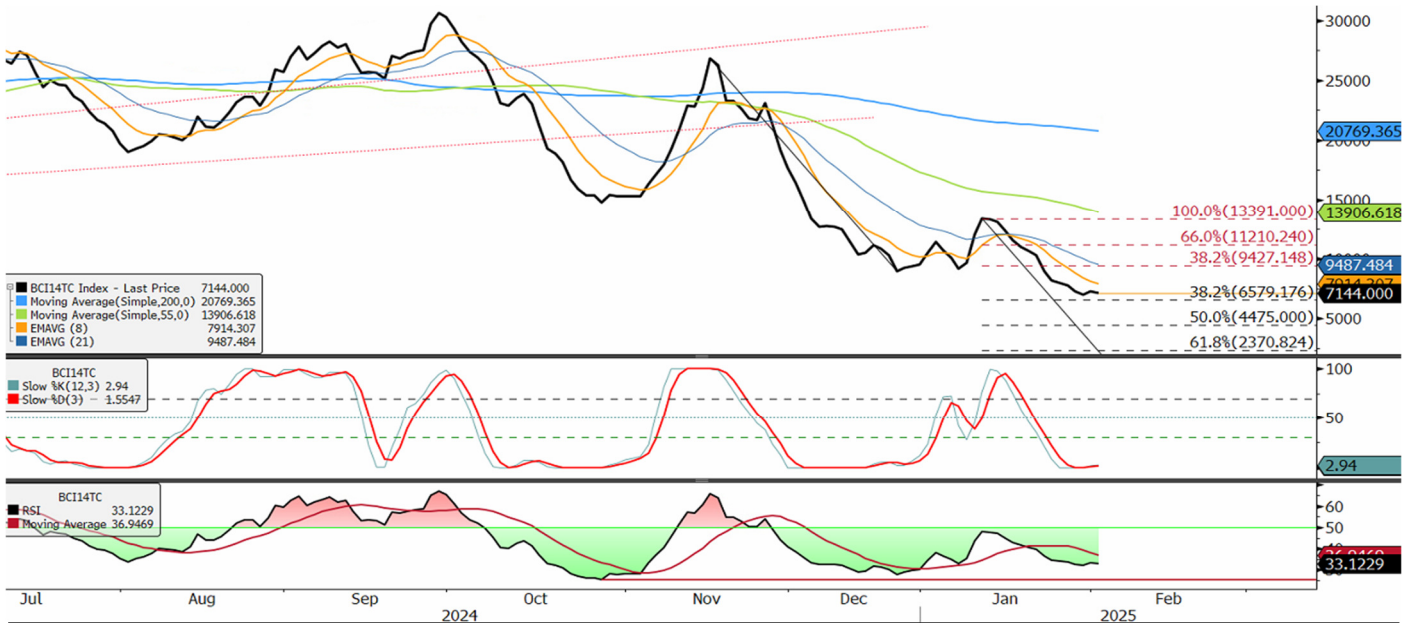
Cal 26

We were cautious on downside moves last week due to the divergence in play. The futures have continued to move higher on the divergence, resulting in the USD 18,017 resistance being broken, meaning the probability of the futures trading to a new low has started to decrease. If we trade above USD 18,425 the technical will be bullish. Due to the futures moving higher on the positive divergence, we maintain a note of caution on moves lower. However, a close below the low of the last dominant bull candle (USD 17,850) will warn that support levels could come under pressure in the near-term, making USD 17,522 the key support to follow. If broken, the futures will be back in bearish territory.

C5 Mar 25

Like the rest of the Cape complex last week, we were cautious on moves lower last week due to the divergence in play. The Feb contract remained supported before gapping higher on the roll into March, meaning the technical is now bullish. The RSI is approaching the base of a resistance zone that has been in play for the last 12 months, suggesting caution on upside moves in the very near term, as they could struggle to hold. However, the roll does mean that the RSI has broken its nearest resistance point, warning downside moves have the potential to be countertrend.

Capesize Index

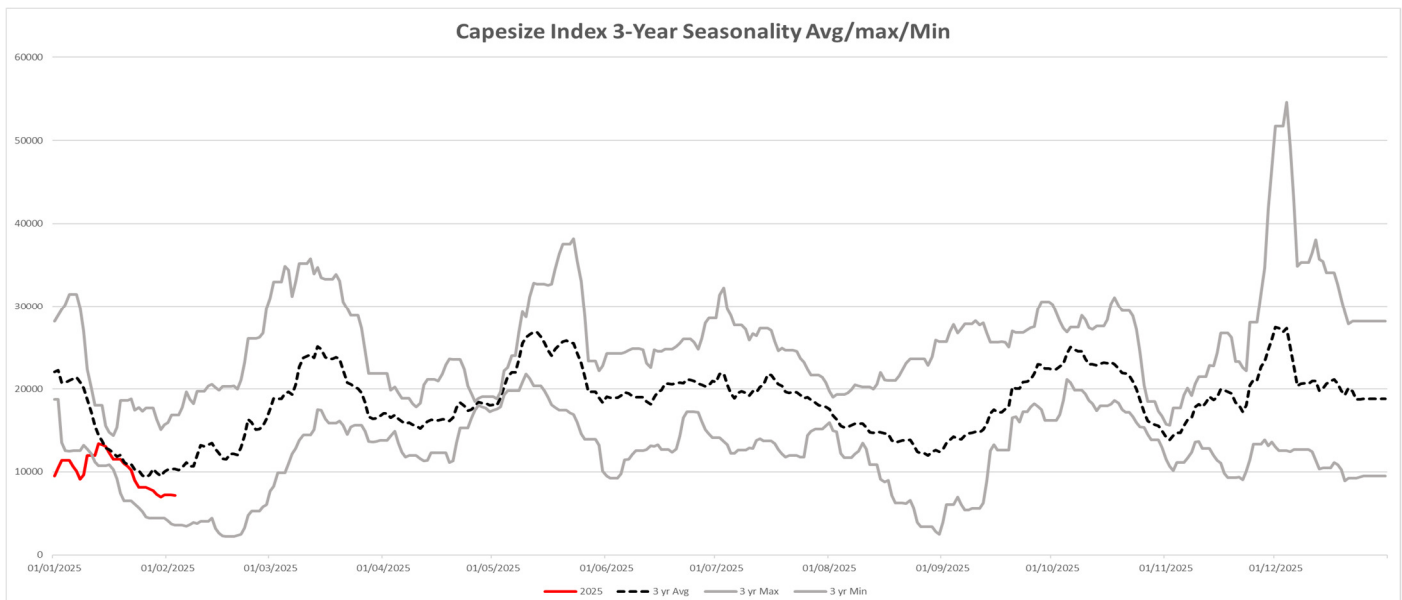


Support	Resistance	Current Price	Bull	Bear
S1	R1	7,144	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (33)
- Stochastic is oversold
- Price is below the weekly pivot point (USD 7,391)
- Technically bearish last week, Fibonacci projection levels warned that we have the potential to trade as low as USD 2,370 within this phase of the cycle. However, the new low meant 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. We were cautious on moves lower due to the divergence in play; however, market buyers were going to need to see a close above the weekly pivot level (USD 9,106), to signal buyside pressure was increasing.
- The index failed to produce a bull move, resulting in price selling lower, we 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 7,344 will mean it is aligned to the buyside. Upside moves that fail at or below USD 11,210 will leave the index vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, we remain in divergence with price now slowing down, meaning we remain cautious on moves lower at these levels. A close above the weekly pivot level (USD 7,391) will imply that buyside pressure is increasing, warning resistance levels could come under pressure.



Capesize March 25 (1 Month forward)

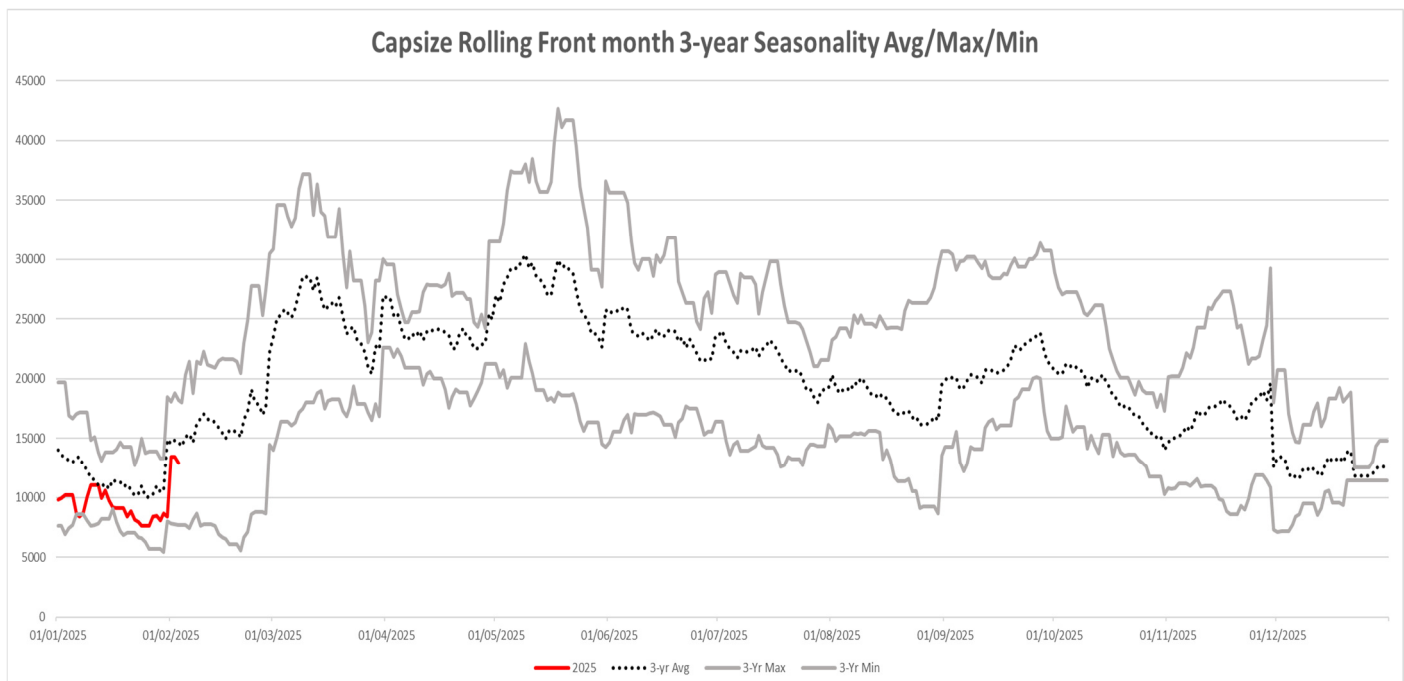


	Support	Resistance	Current Price	Bull	Bear
S1	11,128	R1	15,254	RSI above 50	
S2	9,530	R2	17,650		
S3	7,570	R3	20,898		

Synopsis

- Price is above the 8-21 period EMA's
- RSI is above 50 (54)
- Stochastic is at 50
- Technically bearish last week, the futures were finding bid support on the back of the positive divergence with the RSI, warning resistance levels were vulnerable. We remained cautious on downside moves at those levels; if we did trade above the USD 10,140 resistance, the probability of the futures trading to a new low would start to decrease.
- The Feb futures continued to move higher on the back of the positive divergence with the RSI. The roll into March has resulted in price gapping higher, the technical is now bullish based on the move above the USD 11,500 fractal resistance.
- Downside moves that hold at or above the USD 9,530 will support a bull argument, below this level the technical will have a neutral bias. Likewise, upside moves that fail at or below USD 20,898 will warn that there could be a larger, bearish wave cycle in play.
- Technically bullish, the upside move on the roll into march signals that the lower timeframe Elliott wave cycle has completed, implying downside moves should be considered as countertrend. However, we are trading two standard deviations above the linear regression line, suggesting caution on moves higher in the very near-term.

Source Bloomberg



Capesize Q2 25

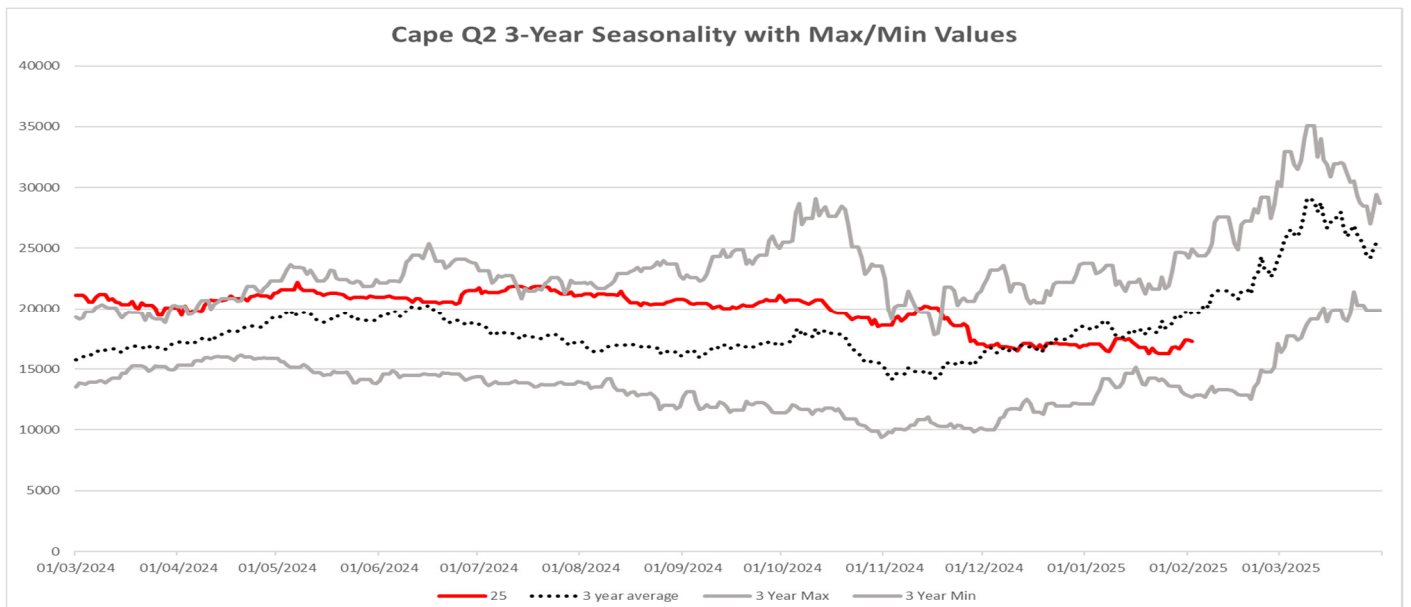


	Support	Resistance	Current Price	Bull	Bear
S1	16,903	R1	17,700		
S2	16,542	R2	18,475		
S3	16,100	R3	20,625		

Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is at 50 (50)
- Stochastic is above 50
- Technically bearish last week (not bullish as stated, typo), the futures were moving higher due to the positive divergence in play, warning resistance levels were looking vulnerable. If we traded above USD 17,147, then the probability of the futures trading to a new low would start to decrease. Due to the futures moving higher on the divergence, we remained cautious on moves lower at that point.
- The futures continued to move higher with price now above the USD 17,147 resistance. We are above the 8-21 period EMA's with the RSI neutral at 50.
- Downside moves that hold at or above USD 16,542 will support a bull argument, below this level the technical will be back in bearish territory.
- Technically bearish with a neutral bias, the probability of the futures trading to a new low has started to decrease. Due to the futures moving higher on the back of the positive divergence with the RSI, we maintain a note of caution on moves lower at this point. We are testing the 55-period EMA (USD 17,391), a close above the holds above the average will warn that the USD 17,700 fractal resistance could be tested and broken; if it is, then the technical will be bullish. The futures are at an inflection point, meaning we have a note of caution on moves higher whilst below the 55-period EMA.



Capesize Cal 26

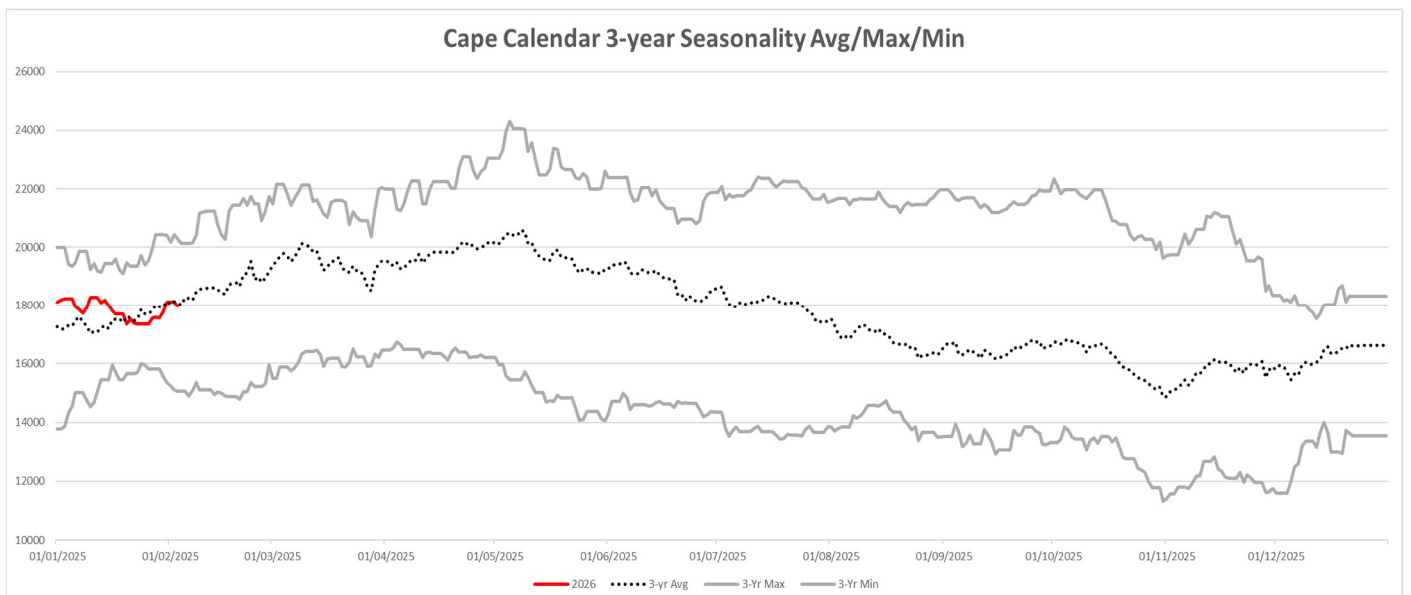


	Support	Resistance	Current Price	Bull	Bear
S1	17,765	R1	17,975		RSI below 50
S2	17,522	R2			
S3	17,225	R3			

Source Bloomberg

Synopsis

- Price is above the 8-21 period EMA's
- RSI is below 50 (47)
- Stochastic is above 50
- Technically bearish last week, the futures were finding bid support on the 1-hour divergence. Lower timeframe Elliott wave analysis continued to suggest that upside moves had the potential to be countertrend. However, with the divergence in play (and the cycle being sub-1-hour, making it less reliable), we continued to have a note of caution on downside moves at those levels.
- The futures continued to move higher (ignoring the lower timeframe wave cycle that was sub-1-hour), resulting in the USD 18,017 resistance being broken. We are above the 8-21 period EMA's with the RSI below 50.
- Downside moves that hold at or above USD 17,522 will support a bull argument, below this level the technical will be back in bullish territory.
- Technically bearish with a neutral bias, the probability of the futures trading to a new low has started to decrease, above USD 18,425 the technical will be bullish. Due to the futures moving higher on the positive divergence, we maintain a note of caution on moves lower. However, a close below the low of the last dominant bull candle (USD 17,850) will warn that support levels could come under pressure in the near-term, making USD 17,522 the key support to follow. If broken, the futures will be back in bearish territory.



Capesize C5 March 25 (Rolling Front Month Heikin Ashi)



	Support	Resistance	Close Price	Bull	Bear
S1	7.31	R1	8.03	Stochastic oversold	RSI below 50
S2	6.88	R2	8.55		
S3	6.35	R3	9.26		

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 (33)
- Stochastic is oversold
- Current price USD 7.95
- Technically bearish last week, the futures were finding bid support due to the positive divergence with the RSI (current price USD 6.60). If we traded above USD 6.79 then the probability of the futures trading to a new low will start to decrease; likewise, if rejected it would warn that there was the potential for further downside within this move. Due to the futures moving higher on the divergence, we were cautious on downside moves at those levels.
- The futures remained supported before moving higher on the Roll into March, the technical is now bullish based on price. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 6.88 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish due to the roll into March. The RSI is approaching the base of a resistance zone that has been in play for the last 12 months, suggesting caution on upside moves in the very near term, as they could struggle to hold. However, the roll does mean that the RSI has broken its nearest resistance point, warning downside moves have the potential to be countertrend.

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