



Capesize Technical Report

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Index

The index held above the 200-period MA last week resulting in price testing but remaining below the old primary trend support, that is now acting as a resistance. Seasonality is a concern as the Hi/Lo/Avg all seem to turn lower around now, whilst the RSI is in a resistance zone. Technically we have a note of caution on moves higher as these levels; if the pullback holds above the 200-period MA, it will support a longer-term bull argument; however, a close below that holds below it will warn that the Fibonacci support zone could come under pressure.

April 25

Bullish last week with a potential upside target for this phase of the cycle at USD 24,539, we noted that the futures were in divergence with the RSI. Having traded to a high of USD 24,000 the futures have entered a corrective phase, with price yet to confirm it is a higher timeframe Elliott wave 4, meaning upside prices to a new high from here will be considered as an extension within the lower timeframe cycle. A bearish engulfing candle around a small rejection candle indicates we have sellers at higher levels, whilst momentum implies caution on upside breakouts, warning support levels could come under pressure in the near-term. As noted previously, our wave analysis suggests that downside moves should be considered as countertrend.

Q3 25

Bullish last week, the futures did trade above the USD 22,750 to a high of USD 23,250; however, the move failed to hold due to the negative divergence in play, resulting in the futures trading back below last week's levels. The Doji followed by the bearish engulfing candle signals resistance at higher levels, whilst the failure to hold the upside move suggests we are on an Elliott wave 5, implying the odds on a bullish wave extension have decreased. The upside rejection suggests that support levels look vulnerable; if we trade below USD 21,765, then the probability of the futures trading to a new high within this phase of the cycle will start to decrease. However, corrective moves that hold at or above USD 20,626 will warn that there could be a larger, bullish Elliott wave cycle coming into play.

Cal 26

Technically bullish last week, the futures traded to a high of USD 19,875; however, we rejected the 200-period MA (USD 19,901), resulting in price seeing a small move lower. Unchanged this week, we remain technically bullish with the MA on the RSI implies that we have light momentum weakness. We maintain our view that downside moves look like they could be countertrend, making USD 18,253 the key support to follow; if broken, then the probability of the futures trading to a new high will start to decrease. The futures did breach the USD 19,825 resistance but rejected the longer-term average last week. For upside continuation, we need to close above and old above the 200-period MA (USD 19,901). Failure to do so will leave the Fibonacci support zone vulnerable in the near-term.

C5 April 25

Bullish last week, the RSI was in a resistance zone suggesting caution on higher moves. The futures traded to a high of USD 9.58 before seeing a small pullback, we now have a small 5-wave pattern higher with price moving back below the resistance zone, suggesting caution on moves higher at this point. If we trade below the USD 9.09 fractal low, the technical will be bearish based on price, warning the Fibonacci support zone could come under pressure. However, corrective moves that hold at or above USD 7.44 will warn that there is a larger, bullish Elliott wave cycle coming into play.

Capesize Index

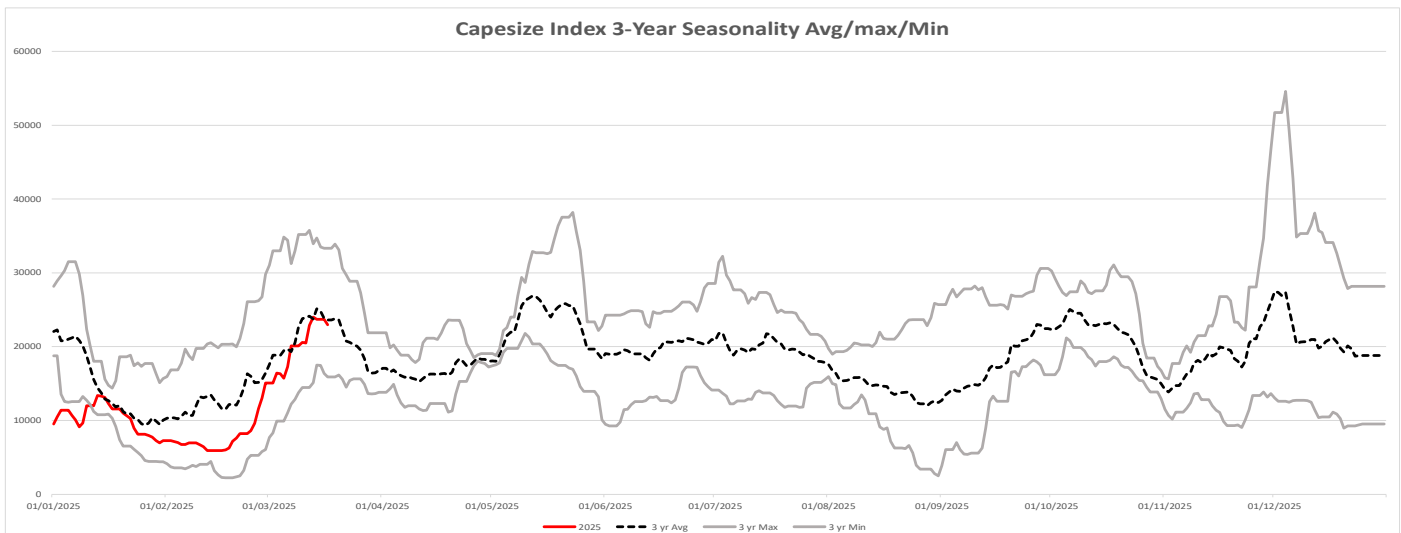


Support	Resistance	Current Price	Bull	Bear
S1	R1	22,954	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (76)
- Stochastic is overbought
- Price is above the weekly pivot point (USD 22,533)
- Technically bullish last week, the MA on the RSI continued to suggest that momentum was supported; however, the RSI was entering the resistance zone highlighted previously. We noted that if we held above the 200-period MA, then we would target the price trend line at USD 23,909; likewise, failure to hold above the average would indicate we were entering a corrective move lower. We maintained our view that downside moves looked like they could be countertrend based on the RSI breaking resistance levels previously.
- The index held above the 200-period MA (USD 20,446) resulting in price trading up to USD 23,992; however, we are failing to hold above the primary trend resistance (USD 24,120). We are above all key moving averages supported by the RSI above 50.
- Momentum based on price is aligned to the sell side, a close above USD 23,547 will mean it is aligned to the buy side. Downside moves that hold at or above USD 12,051 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the index has seen a very strong move higher from a low of USD 5,899 with price now testing and holding below the old primary trend support (now acting as a resistance). Seasonality is a concern as the Hi/Lo/Avg all seem to turn lower around now, whilst the RSI is in a resistance zone. Technically we have a note of caution on moves higher as these levels; if the pullback holds above the 200-period MA, it will support a longer term bull argument; however, a close below that holds below it will warn that the Fibonacci support zone could come under pressure.



Capesize April 25 (1 Month forward)

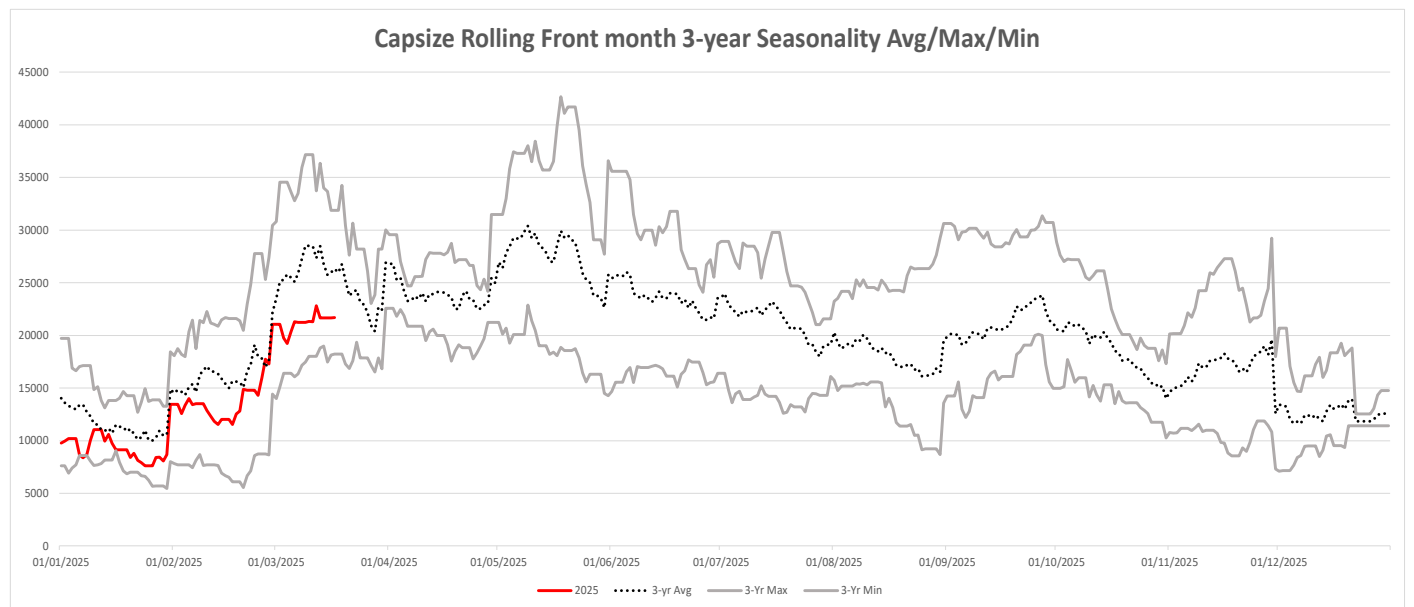


	Support	Resistance	Current Price	Bull	Bear
S1	17,635	R1	23,455	RSI above 50	Stochastic overbought
S2	15,700	R2	24,539		
S3	13,076	R3	27,800		

Synopsis

- Price is above the 8-21 period EMA's
- RSI is above 50 (64)
- Stochastic is overbought
- Technically bullish last week, the MA on the RSI indicated that momentum is supported. The futures were on a bullish impulse Elliott wave 5 of a higher timeframe wave 3. This meant that we have the potential to trade as high as USD 24,539 within this phase of the cycle, with downside moves still considered as countertrend. However, we were in divergence with the RSI on the intraday and daily charts, warning we could see a momentum slowdown, meaning we have a note of caution on upside breakouts above USD 21,750.
- The futures broke to the upside before trading to a high of USD 24,000; however, the move has failed to hold, resulting in price selling back to last weeks levels. We are above the 8-21 period EMA's with the RSI above 50.
- Downside moves that hold at or above USD 13,076 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish but in a corrective phase, the MA on the RSI is now flat, implying momentum is neutral. The futures have sold lower due to the negative divergence with the RSI, resulting price producing a bearish engulfing candle around a small rejection candle. The technical indicates we have sellers at higher levels whilst momentum implies caution on upside breakouts, warning support levels could come under pressure in the near-term. As noted previously, our wave analysis suggests that downside moves should be considered as countertrend. We have not yet confirmed that we are in a countertrend wave 4, meaning upside prices to a new high from here will be considered as an extension within the lower timeframe cycle.

Source Bloomberg



Capesize Q3 25

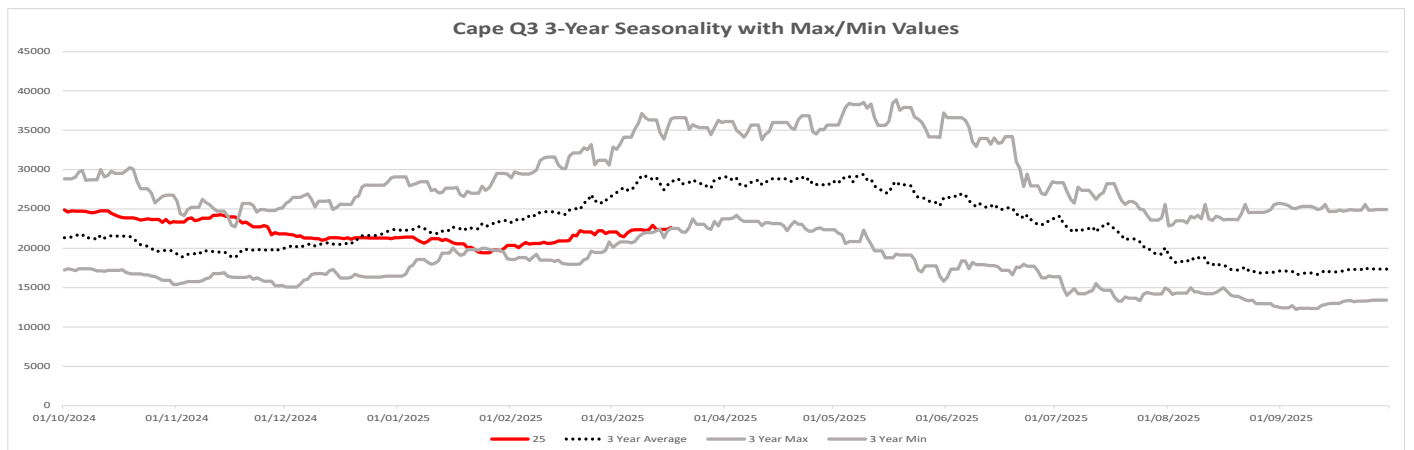


	Support	Resistance	Current Price	Bull	Bear
S1	22,125	R1	22,737	RSI above 50	
S2	21,765	R2	23,147		
S3	21,481	R3	23,731		

Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (58)
- Stochastic is above 50
- Technically bullish last week, the MA on the RSI implied that we had light momentum support. The downside move had held above the USD 21,012 support with price closing back above the 55-period EMA, warning the USD 22,750 fractal high could be about to be tested and broken. If it was, then Fibonacci projection levels suggest we could trade as high as USD 23,147 within this phase of the cycle; however, if we remained elevated, or traded up to the USD 23,731 resistance, then there was a chance we could be looking at an Elliott wave extension. If we were, then downside moves would be considered as countertrend. Upside moves above USD 22,750 would create a negative divergence with the RSI; not a sell signal, it warned that we could see a momentum slowdown, which needed to be monitored. If we failed to trade above the USD 22,750 high, then downside moves would still be considered as countertrend, as the futures would remain within a corrective phase.
- The futures did trade above the USD 22,750 to a high of USD 23,250; however, the move failed to hold due to the negative divergence in play, resulting in the futures trading back below last weeks levels. We are above the 8-21 period EMA's with the RSI above 50.
- Downside moves that hold at or above USD 21,765 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI implies that we have light momentum weakness. The Doji followed by the bearish engulfing candle signals resistance at higher levels, whilst the failure to hold the upside move suggests we are on an Elliott wave 5, implying the odds on a bullish wave extension have decreased. The upside rejection suggests that support levels look vulnerable; if we trade below USD 21,765, then the probability of the futures trading to a new high within this phase of the cycle will start to decrease. However, corrective moves that hold at or above USD 20,626 will warn that there could be a larger, bullish Elliott wave cycle coming into play.



Capesize Cal 26

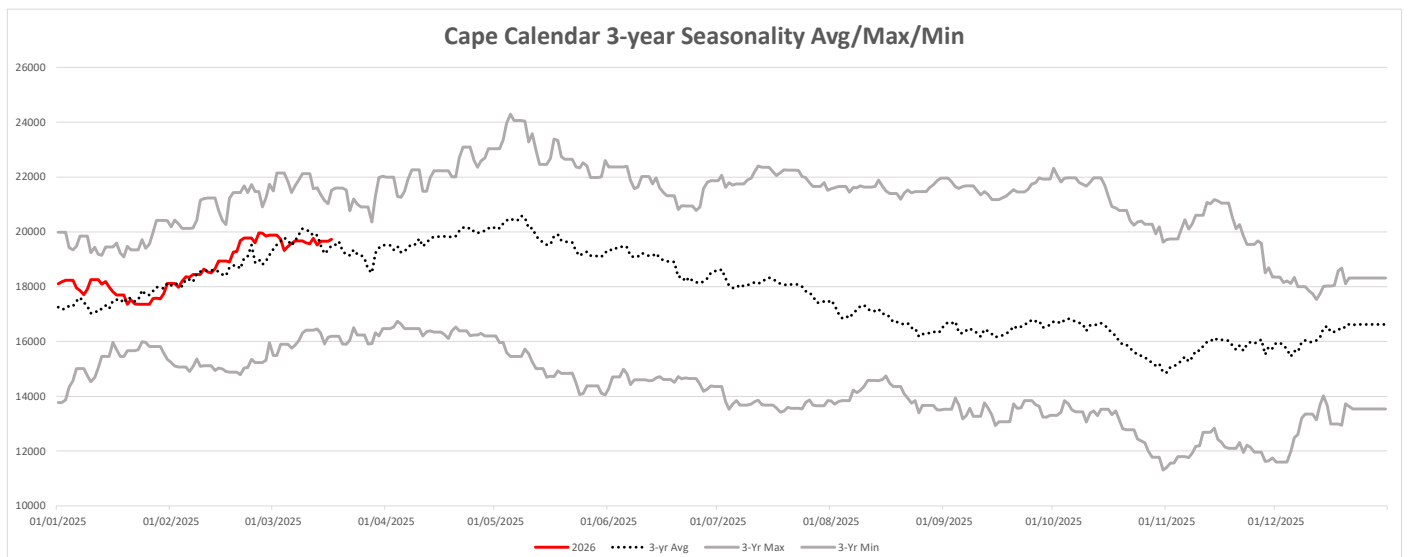


	Support	Resistance	Current Price	Bull	Bear
S1	19,094	R1	19,725	RSI above 50	
S2	18,737	R2			
S3	18,253	R3			

Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (60)
- Stochastic is below 50
- Technically bullish last week, the MA on the RSI implied that we had light momentum weakness. We maintained our view that downside moves looked like they should be countertrend, making USD 18,253 the key support to follow; if broken, then the probability of the futures trading to a new high would start to decrease. Likewise, upside moves that failed at or below USD 19,825 would leave the futures vulnerable to further tests to the downside. For upside continuation, the futures would need to close above and hold above the 200-period MA (USD 19,919).
- The futures traded to a high of USD 19,875; however, price has rejected the 200-period MA (USD 19,901), resulting in price seeing a small move lower.
- Downside moves that hold at or above USD 18,253 will support a bull argument, below this level the technical will have a neutral bias.
- Unchanged this week, we remain technically bullish with the MA on the RSI implies that we have light momentum weakness. We maintain our view that downside moves look like they could be countertrend, making USD 18,253 the key support to follow; if broken, then the probability of the futures trading to a new high will start to decrease. The futures did breach the USD 19,825 resistance but rejected the longer term average last week. For upside continuation, we need to close above and hold above the 200-period MA (USD 19,901). Failure to do so will leave the Fibonacci support zone vulnerable in the near-term.



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



	Support	Resistance	Close Price	Bull	Bear
S1	8.34	R1	9.26	RSI above 50	Stochastic overbought
S2	7.96	R2	9.81		
S3	7.44	R3	10.76		

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 between the 8-21 period EMA's
- RSI is above 50 (64)
- Stochastic is overbought
- Unchanged on the technical last week. The MA on the RSI indicated that momentum remains supported; however, as highlighted previously, the RSI was in a resistance zone whilst the price was holding just below Fibonacci resistance, suggesting caution on upside moves at these levels. Based on the RSI breaking resistance on the move higher, we maintain our view that downside moves look like they could be countertrend at this point, making USD 7.34 the key support to follow. If broken, then the probability of futures trading to a new high will start to decrease.
- The futures traded to a high of USD 9.58 before seeing a small pullback, we are between the 8-21 period EMA's with the RSI above 50.
- Downside moves that hold at or above USD 7.44 will support a longer-term bull argument.
- Technically bullish, we now have a small 5-wave pattern higher with price moving back below the resistance zone, suggesting caution on moves higher at this point. If we trade below the USD 9.09 fractal low, the technical will be bearish based on price, warning the Fibonacci support zone could come under pressure. However, corrective moves that hold at or above USD 7.44 will warn that there is a larger, bullish Elliott wave cycle coming into play.

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