



# Capesize Technical Report

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## Index

The index held above the 200-period MA last week, resulting in price trading to a new high. We are technically bullish with the MA on the RSI indicating that momentum is supported. However, the new high means we have a negative divergence in play with the RSI, warning buyside momentum could slow down. Due to the divergence we now have a note of caution on moves higher at these levels.

## July 23

Bearish last week, we had a note of caution on moves lower as intraday momentum was showing signs of slowing down. Having traded to a low of USD 17,300 the futures have traded up to but remain below the 200-period MA. We have now formed a symmetrical triangle pattern, meaning near-term price action is neutral. Elliott wave analysis remains bullish above USD 15,684 and neutral below. In theory, directional bias should come from a close that holds outside of the pattern. Neutral.

## Q3 25

We were cautious on downside moves last week as the divergence suggested that they could struggle to hold. We have seen mixed movement since the last report, price is higher than last week but has seen tests to both the upside and downside. We remain bearish; however, the 8-21 period EMA's are starting to flatten, as is the MA on the RSI, implying a neutral bias in the market. We continue to be cautious off downside breakouts below the USD 17,500 fractal low, as price will be in divergence with the RSI.

## Cal 26

Unchanged on the technical this week; like last week we remain bearish but cautious on downside moves, as the divergence suggests that price could struggle to hold below the USD 17,475 fractal low.

## C5 July 25

The roll last week mean we were cautious on move lower as the futures were vulnerable to either a mean reversion back to the averages, or a momentum slowdown, where the averages move lower. We have seen a bit of both as price is 20 cents higher with the averages moving lower. We remain bearish with price above the weekly pivot point (USD 8.29), if we hold above this level then we have the potential to test the USD 8.81 Fibonacci resistance. Conversely, a close below USD 8.29 will indicate that sell side pressure is increasing, warning the USD 8.04 fractal low could be tested and broken. The technical needs to see more upside, at this point, support levels remain vulnerable.

# Capesize Index

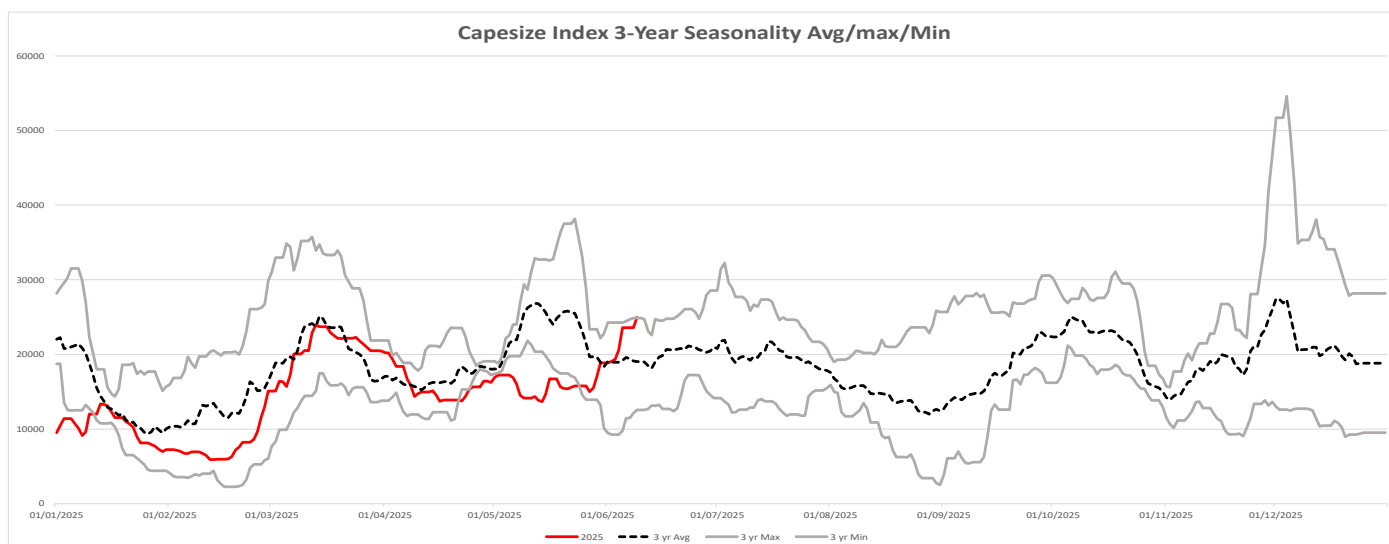


Support		Resistance		Current Price	Bull	Bear
S1	22,078	R1	26,832	24,961	RSI above 50	Stochastic overbought
S2	20,674	R2	27,891			
S3	17,508	R3	31,763			

## Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (74)
- Stochastic is overbought
- Price is above the weekly pivot point (USD 22,078)
- Technically bullish last week, the MA on the RSI implied that we have light momentum support. The index was above the 200-period MA (USD 17,405), if we held above the average, it would warn that the USD 20,504 resistance could be tested and broken. Conversely, failure to hold above the average would bring the USD 12,051 support into focus. We noted that we had seen a slowdown in price, meaning focus should be on the 200-period MA, if the market turned but the average held, it would suggest we move higher.
- The index held above the 200-period MA (USD 17,442), resulting in price moving to new highs. We are above all key moving averages supported by the RSI above 50.
- Momentum based on price is aligned to the buy side, a close below USD 23,134 will mean it is aligned to the sell side. Downside moves that hold at or above USD 17,058 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI implies that momentum is supported. However, the new high in price is not being replicated by the RSI, meaning we have a negative divergence in play. Not a sell signal, it is a warning that we could see a momentum slowdown, which needs to be monitored. Due to the divergence we now have a note of caution on moves higher at these levels.



# Capesize July 25 (1 Month forward)

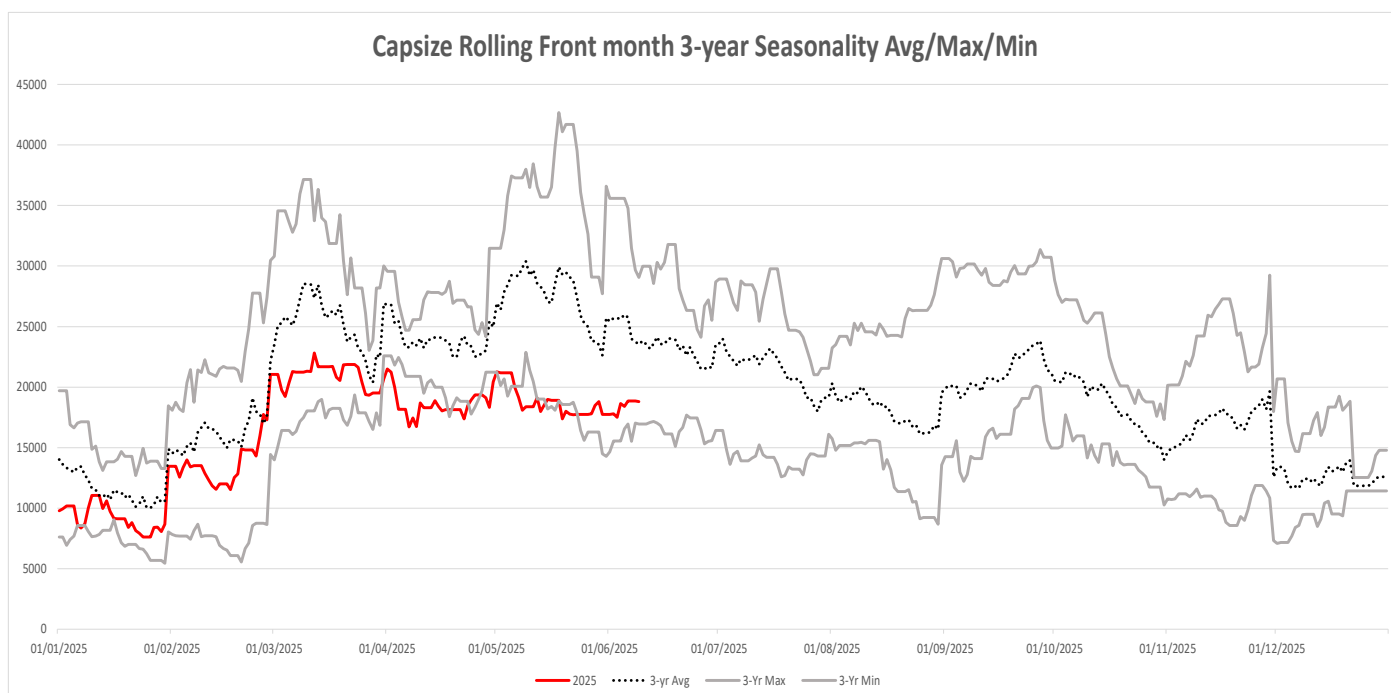


	Support		Resistance	Current Price	Bull	Bear
S1	17,408	R1	19,953	18,800	RSI above 50	
S2	17,125	R2	21,365			
S3	16,250	R3	22,341			

## Synopsis

- Price is above the 8-21 period EMA's
- RSI is above 50 (51)
- Stochastic is above 50
- We remain bearish based on price last week, whilst the longer-term Elliott wave cycle remained bullish above USD 15,684 and neutral below. We had highlighted in the morning technical reports that sell side momentum had started to slow, meaning we have a note of caution on lower moves; however, if we do trade below USD 17,125, then the USD 16,250 fractal support will become vulnerable. Although sell side momentum was slowing, for upside continuation, price will need to close and hold above the 200-period MA (USD 19,042), until we did, support levels would remain vulnerable.
- The futures traded to a low of USD 17,300 before finding bid support, the move higher has resulted in the futures trading up to the 200-period MA (USD 18,878). Price is above the 8-21 period EMA with the RSI near neutral at 51.
- Downside moves that hold at or above USD 15,684 (revised higher) will support a bull argument, below this level the technical will have a neutral bias.
- The futures are trading on the 200-period MA, meaning we are at an inflection point. We have now formed a symmetrical triangle pattern, meaning near-term price action is neutral. Elliott wave analysis remains bullish above USD 15,684 and neutral below. In theory, directional bias should come from a close that holds outside of the pattern. Neutral.

Source Bloomberg



# Capesize Q3 25



	Support		Resistance	Current Price	Bull	Bear
S1	17,292	R1	18,741	18,450		RSI below 50
S2	16,343	R2	19,125			
S3	15,134	R3	19,645			

## Synopsis

Source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is below 50 (44)
- Stochastic is above 50
- Technically bearish last week, the MA on the RSI was starting to flatten, implying sell side momentum was slowing. We were rejecting the 8-period EMA, warning the USD 17,500 fractal low was vulnerable. However, we were in divergence with the RSI, warning sell side momentum could slow down, meaning we were cautious on moves lower at those levels, as the technical suggested that they could struggle to hold.
- Mixed movement, last week, the futures traded to a high of USD 18,875 before selling down to 17,700, with price failing to trade to a new low. We are seeing bid support again with price now between the 8-21 period EMA's whilst the RSI remains below 50.
- Upside moves that fail at or below USD 19,645 will leave the futures vulnerable to further tests to the downside, above this level will the technical will have neutral bias.
- Technically we remain bearish; however, the 8-21 period EMA's are starting to flatten, as is the MA on the RSI, implying a neutral bias in the market. We continue to be cautious off downside breakouts below the USD 17,500 fractal low, as price will be in divergence with the RSI.

## Cape Q3 3-Year Seasonality with Max/Min Values



# Capesize Cal 26



## Synopsis

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (42)
- Stochastic is below 50
- Price action remained bearish last week; however, the new low meant that the futures were in divergence with the RSI, not a buy signal, it warned that we could see a momentum slowdown, implying caution on moves lower at those levels.
- The futures did trade to a low of USD 17,475 before seeing a small move higher; however, we remain below all key moving averages supported by the RSI below 50.
- Upside moves that fail at or below USD 19,042 will leave the futures vulnerable to further tests to the downside, above this level the technical will be back in bullish territory.
- Unchanged on the technical this week. We remain bearish with the MA on the RSI implying momentum is neutral. However, we continue to be cautious on moves lower due to the divergence in play, as the technical suggests that we could struggle to hold below the USD 17,475 fractal low.

## Cape Calendar 3-year Seasonality Avg/Max/Min



# Capesize C5 July 25 (Rolling Front Month Heikin Ashi Chart)



Support		Resistance		Current Price	Bull	Bear
S1	8.29	R1	8.81	8.40	Stochastic oversold	RSI below 50
S2	8.23	R2	9.05			
S3	7.96	R3	9.17			

## 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 below 50 (47)
- Stochastic is oversold
- Technically we remained bearish last week, the MA on the RSI was flat, implying momentum was neutral. The flat averages followed by the move lower on the roll into July meant that the technical was vulnerable to mean reversal back to the averages (USD 8.53), or a momentum slowdown, allowing the averages to move lower. We noted that if we did continue to come under pressure, we marked USD 7.74 as an area of interest, as it was two standard deviations below the linear regression line. Due to the drop on the roll, we had a note of caution on downside moves at that point.
- The futures failed to trade lower with price seeing a small move higher, the averages have seen a small move lower. Price is between the 8-21 period EMA's with the RSI below 50
- Downside moves that hold at or above USD 7.44 will support a longer-term bull argument. Likewise, upside moves that fail at or below USD 9.05 will warn that there is further downside within the corrective phase.
- Technically bearish, the MA on the RSI implies that we have light momentum weakness. The futures are above the weekly pivot point (USD 8.29), if we hold above this level then we have the potential to test the USD 8.81 Fibonacci resistance. Conversely, a close below USD 8.29 will indicate that sell side pressure is increasing, warning the USD 8.04 fractal low could be tested and broken. The technical needs to see more upside, at this point, support levels remain vulnerable.

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