



Capesize Technical Report

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Index

Technically bullish on the last report two weeks ago. We noted that the RSI was at resistance, meaning there was a minor divergence in play, warning we were looking vulnerable to a corrective move lower. Having sold off aggressively the index although bullish, now has a neutral bias. The index is now testing the 200-period MA (USD 17,428). A close that holds below the average will warn that the USD 17,241—USD 13,670 fractal support zone could come under pressure. Conversely, if support holds, and we close above the weekly pivot level (USD 20,061), it will indicate that buy-side pressure is increasing. Whilst on the average, price is at an inflection point with faster moving momentum (6-period RSI, not shown) in oversold territory, meaning we are cautious on moves lower at this point.

Aug 25

Bullish in the last report, the upside breakout from the symmetrical triangle warned that the USD 21,365 resistance could come under pressure; however, we had a note of concern as price had been in consolidation for 46 days, whilst the upside breakout had lacked energy, as a move back below trend support would suggest that market longs should be cautious, as price would be back in the consolidation zone. Our concerns did prove to be valid, as price closed back in the symmetrical triangle, before moving lower. Near-term price action is bearish, whilst the longer-term Elliott wave cycle is bullish above USD 15,684, and neutral below. The MA on the RSI implies momentum is weak, this is supported by the RSI making new lows, suggesting upside moves in the near-term have the potential to be countertrend. However, as highlighted in the morning intraday technical, we are looking overextended to the downside (based on faster moving, shorter term momentum indicators), suggesting caution on moves lower at these levels, at this point.

Q3 25

Bearish on the last report, the futures were in the process of rejecting the 55-period EMA. We noted that a close below the low of the last dominant bull candle (USD 18,416) would indicate that sell side pressure was increasing, warning the USD 17,500 fractal low could be tested and broken. Having initially held support, the futures rejected the 55-period EMA for a second time, resulting in price trading to a new low. The move below the USD 17,500 fractal support has created a positive divergence with the RSI. Not a buy signal, it is warning that sell side momentum could slow, meaning we are cautious on downside moves at these levels. Like the rolling front month, lower timeframe momentum indicators are warning that intraday upside moves have the potential to be countertrend in the very near-term.

Cal 26

Technically bearish on the last report, we noted that momentum was conflicting as the MA on the RSI implied it was supported; however, the RSI was below 50 whilst the stochastic was overbought, suggesting we could move lower. We continued to have a note of caution below USD 17,425 as price would be divergent with the RSI. Having trading to a high of USD 18,000 the futures have seen a small move lower. Price continues to consolidate, meaning near-term price action is neutral. However, we remain cautious of downside breakouts below USD 17,425, as it will create a positive divergence with the RSI, warning sell side momentum could slowdown. A cautious bear.

C5 August 25

The technical was bearish last week, but near-term price action was bullish due to the move above the USD 8.75 fractal resistance. We noted that if we closed and held below the linear regression line (USD 8.82) it will warn that we could close below the weekly pivot level (USD 8.74); if we did, it would indicate that sell side pressure was increasing. Likewise, if we held above it then it would support a bull argument. With the RSI making new highs alongside price, the technical warned that support level could hold if tested. The futures closed but failed to hold above the linear regression support, resulting in price selling lower and closing below the weekly pivot level, meaning price is now trading in the Fibonacci support zone. We are now bearish based on price; however, current price is around USD 7.65 with USD 7.53 being two standard deviations below the linear regression line, suggesting we will start looking overextended to the downside below this level, meaning we are cautious on moves lower at these levels in the near-term.

Capesize Index

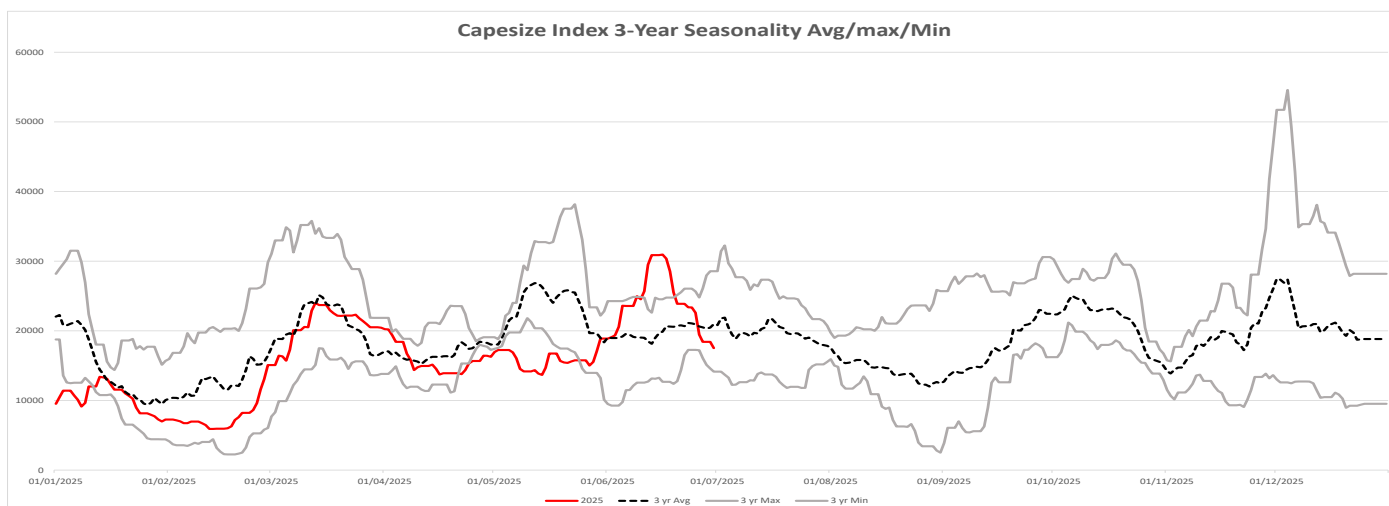


	Support	Resistance	Current Price	Bull	Bear
S1	17,428	R1	20,061	Stochastic oversold	RSI below 50
S2	17,241	R2	22,641		
S3	13,670	R3	26,376		

Synopsis

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (41)
- Stochastic is oversold
- Price is below the weekly pivot point (USD 20,061)
- Technically bullish on the last report two weeks ago, the MA on the RSI implied that momentum was supported. The RSI was testing resistance, meaning we continued to have a minor divergence in play, not a sell signal, it warned that we could see a momentum slowdown. A close below the MBP level would imply buy-side pressure was decreasing, whilst a close below the weekly pivot level USD 28,750 would indicate that sell-side pressure is increasing. The slowdown in price whilst the RSI was at resistance warned that the index was starting to look vulnerable to a corrective move lower.
- The index entered a corrective phase with price more than halving in value. We are below the 8-21 period EMA's with the RSI below 50.
- Momentum based on price is aligned to the sell side, a close above USD 19,470 will mean it is aligned to the buy-side. Upside moves that fail at or below USD 26,376 will leave the index vulnerable to further tests to the downside, above this level, the technical will be back in bullish territory.
- Technically bullish with a neutral bias, the probability of the index trading to a new high has started to decrease. The MA on the RSI implies that momentum is weak; however, the futures are now testing the 200-period MA (USD 17,428). A close that holds below the average will warn that the USD 17,241—USD 13,670 fractal support zone could come under pressure. Conversely, if support holds, and we close above the weekly pivot level (USD 20,061), it will indicate that buy-side pressure is increasing. Whilst on the average, price is at an inflection point with faster moving momentum (6-period RSI, not shown) in oversold territory, meaning we are cautious on moves lower at this point.



Capesize Aug 25 (1 Month forward)

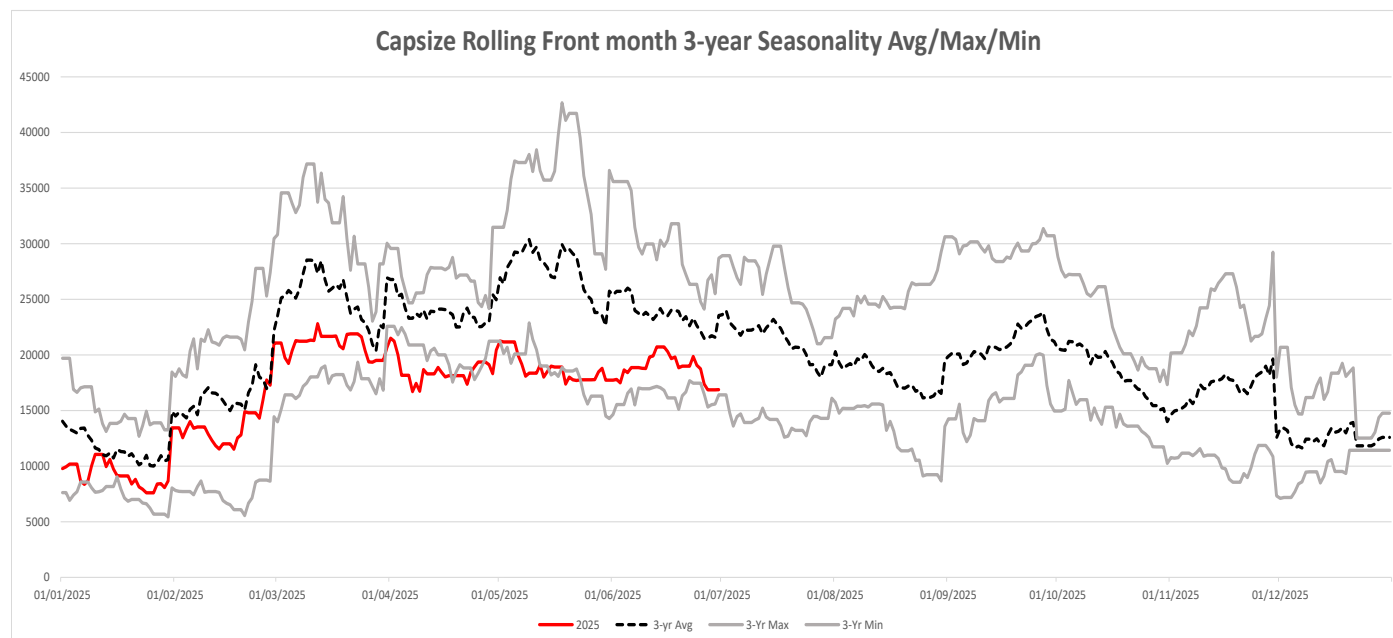


Support		Resistance		Current Price	Bull	Bear
S1	16,250	R1	18,141	16,900	Stochastic oversold	RSI below 50
S2	15,684	R2	19,529			
S3	14,096	R3	21,365			

Synopsis

- Price is below the 8-21 period EMA's
- RSI is below 50 (42)
- Stochastic is overbought
- Technically bullish on the last report, we noted that the upside breakout suggested the USD 21,365 resistance could come under pressure. If broken, it would support a bull argument; however, if rejected, it would warn that we could still be in the larger corrective phase. We had noted in the morning technical report that after 46 days in a consolidation phase, the upside breakout lacked energy, which was a concern. If we close and held below the upper trend line (USD 19,684) it would imply market longs would need to be cautious, as price will be back inside the symmetrical pattern.
- Our concerns over the lack of energy on the bullish breakout turned out to be valid, as the futures failed to hold the upside move. Price is now below all key moving averages with the RSI below 50.
- Upside moves that fail at or below USD 19,529 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Near-term price action is bearish, whilst the longer-term Elliott wave cycle is bullish above USD 15,684, and neutral below. The MA on the RSI implies momentum is weak, this is supported by the RSI making new lows, suggesting upside moves in the near-term have the potential to be countertrend. However, as highlighted in the morning intraday technical, we are looking over extended to the downside (based on faster moving, shorter term momentum indicators), suggesting caution on moves lower at these levels, at this point.

Source Bloomberg



Capesize Q3 25

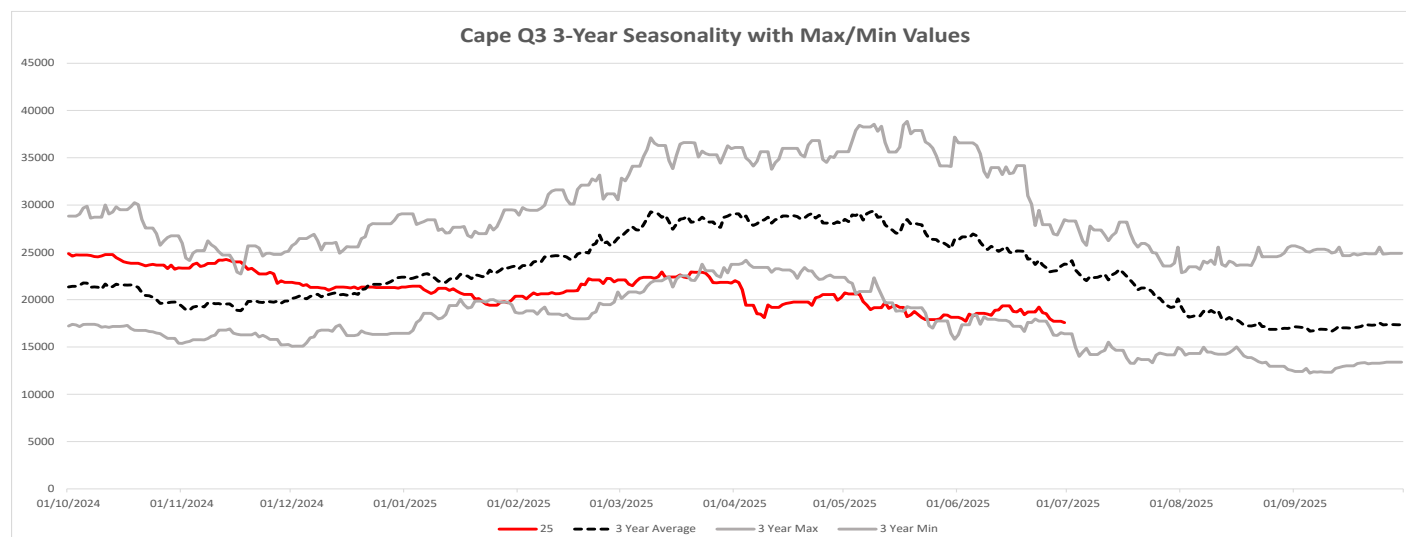


	Support	Resistance	Current Price	Bull	Bear
S1	17,292	R1	18,694		RSI below 50
S2	16,343	R2	18,950		
S3	15,134	R3	19,386		

Synopsis

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (40)
- Stochastic is below 50
- Technically bearish on the previous report, the MA on the RSI implied that momentum was supported; however, the futures were in the process of rejecting the 55-period EMA (USD 19,375). A close below the low of the last dominant bull candle (USD 18,416) would indicate that sell side pressure was increasing, warning the USD 17,500 fractal low could be tested and broken. Failure to close below the USD 18,416 level would indicate that there was an underlying support in the market; likewise, a move above the USD 19,645 resistance would mean that the probability of price trading to a new low would start to decrease. The upside rejection warned that the USD 18,416 level was vulnerable, making this the key support to follow on the technical.
- The futures traded to a low of USD 18,400, but initially failed to close below the USD 18,416, resulting in a second test and rejection of the 55-period MA (USD 19,079). We have since moved lower with price below all key moving averages supported by the RSI below 50.
- Upside moves that fail at or below USD 18,694 will leave the futures vulnerable to further tests to the downside, above this level will the technical will have neutral bias.
- Technically bearish, the MA on the RSI implies we have light momentum weakness. However, the move below the USD 17,500 fractal support has created a positive divergence with the RSI. Not a buy signal, it is warning that sell side momentum could slow, meaning we are cautious on downside moves at these levels. Like the rolling front month, lower timeframe momentum indicators are warning that intraday upside moves have the potential to be countertrend in the very near-term.



Capesize Cal 26

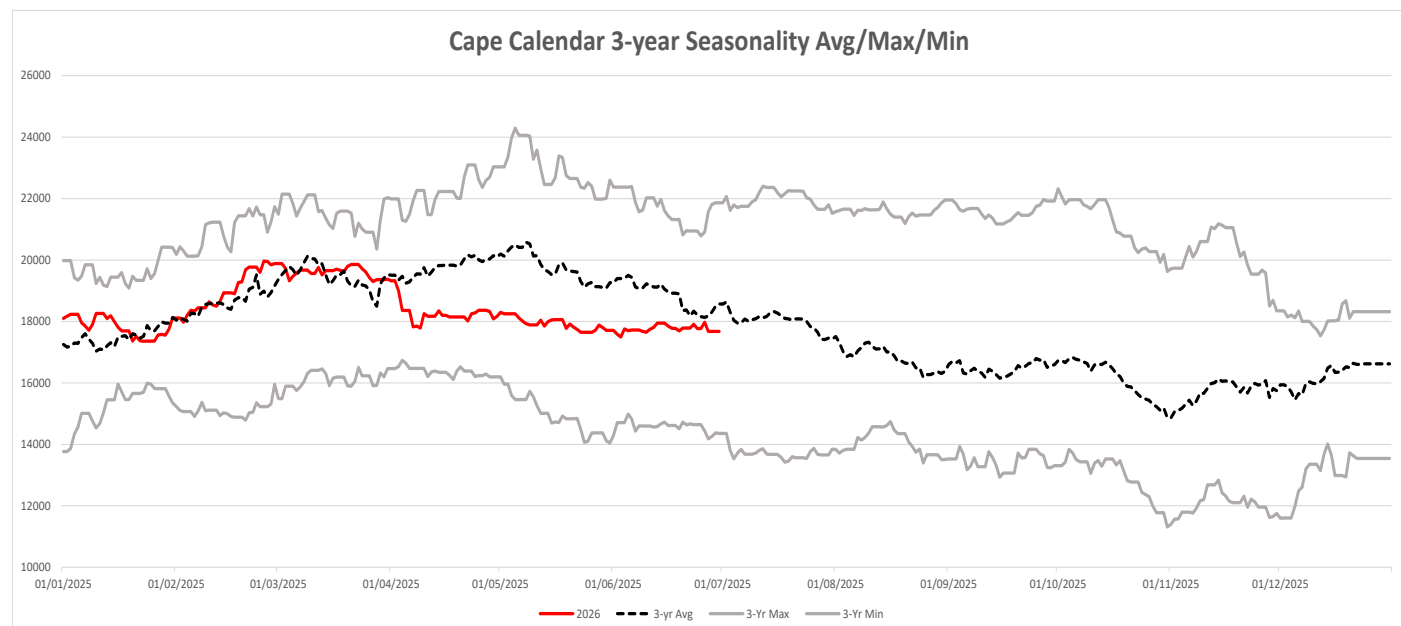


Support		Resistance		Current Price	Bull	Bear
S1	17,225	R1	18,360	17,675		RSI below 50
S2	16,791	R2	18,650			
S3	15,850	R3	19,042			

Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is below 50 (44)
- Stochastic is below 50
- Technically bearish previously, the MA on the RSI implied that we had light momentum support; however, the RSI was below 50 whilst the stochastic was overbought, warning we could be vulnerable to another move lower, meaning momentum indicators were conflicting. As noted previously, we remained cautious on downside breakouts below USD 17,425, as price would be divergent with the RSI. We also noted that we have an inverse head and shoulders pattern on the intraday technical, indicating there was an underlying support forming in the market.
- Having traded to a high of USD 18,000, the futures have seen a small move lower, we are below the 8-21 period EMA's with the RSI still 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.
- The futures continue to consolidate, meaning near-term price action is neutral. However, we remain cautious of downside breakouts below USD 17,425, as it will create a positive divergence with the RSI, warning sell side momentum could slow-down. A cautious bear.



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



Support	Resistance	Current Price	Bull	Bear
S1	7.53	R1	8.14	Stochastic oversold RSI below 50
S2	7.44	R2	8.50	
S3	7.03	R3	8.95	

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 (36)
- Stochastic is oversold
- Technically bearish on the last report; however, near-term price action was bullish due to the move above the USD 8.75 fractal resistance. The futures were around 10 cents below the high; if we closed and held below the linear regression line (USD 8.82) it will warn that we could close below the weekly pivot level (USD 8.74); if we did, it would indicate that sell side pressure was increasing. Conversely, corrective moves lower that held above weekly pivot level will support a bull argument. We noted that the upside move was price was being replicated by the RSI, warning support levels could hold if tested in the near-term.
- The futures closed but failed to hold above the linear regression support, resulting in price selling lower and closing below the weekly pivot level, meaning price is now trading in the Fibonacci support zone.
- 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 based on price, the MA on the RSI implies we have light momentum weakness. However, current price is around USD 7.65 with USD 7.53 being two standard deviations below the linear regression line, suggesting we will start looking overextended to the downside below this level, meaning we are cautious on moves lower at these levels in the near-term.

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