



Capesize Technical Report

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

Index

The index was at an inflection point last week as price was trading on the 200-period MA whilst faster moving momentum indicators were oversold, meaning we had a lot of caution on lower moves. We have continued to come under pressure meaning the technical is bearish with a neutral bias, the probability of price trading to a new high within this phase of the cycle continues to decrease. The MA on the RSI implies that momentum is weak at this point, whilst price is below the weekly pivot level (USD 16,091) and the 200-period MA (USD 17,155). As noted last week, faster moving momentum indicators are oversold; however, for buyside support, the futures are going to need to close and hold above these two resistance levels to avoid further downside in the near-term.

Aug 25

Bearish price action last week, the futures were looking overextended to the downside on the intraday timeframe, meaning we were cautious on downside moves. Price has remained above the USD 16,625 level resulting in a move higher. As noted previously, the downside move in the futures to a low of USD 16,625 had been replicated by the RSI, suggesting upside moves had the potential to be countertrend in the near-term. The futures are trading on the 200-period MA (USD 17,850) whilst we have trend resistance at USD 18,041 and market profile resistance at USD 18,500 (making this the most heavily traded area based on price in the last 12 months), suggesting caution on upside moves in the near-term. However, if we trade above the USD 19,512 level, then the probability of the futures trading below USD 16,625 will start to decrease.

Q3 25

Technically bearish last week, we had a note of caution on downside moves due to a positive divergence in play, resulting in price moving higher. However, intraday Elliott wave analysis indicates that upside moves should be countertrend, making USD 18,640 the key resistance to follow. If broken, then the probability of the futures trading to a new low will start to decrease. Whilst below USD 18,640 we are cautious on upside moves based on the lower timeframe Elliott wave cycle.

Cal 26

Bearish but in consolidation last week, we remained cautious on downside moves below USD 17,425, as this could create a positive divergence with the RSI. We have moved above the USD 18,400 resistance, meaning price is now in bullish territory. The MA on the RSI implies that momentum is supported, warning the USD 18,650—USD 19,042 resistance levels are now vulnerable. Both price and the RSI are making new highs, suggesting downside moves could be countertrend, making USD 17,756 the key support to follow. If broken, then the probability of the futures trading to a new low will start to decrease. buyside pressure is increasing, meaning we are now cautious on corrective moves lower.

C5 Aug 25

Technically bearish, having been overextended to the downside, the futures are now moving higher having held the USD 7.44 support. We are now testing the USD 8.50 resistance whilst the RSI is at resistance, meaning we are at an inflection point. If we close above USD 8.50, it will warn that the USD 8.95 fractal high could be tested and broken. Conversely, a rejection here will warn we could see another test to the downside. Whilst below USD 8.50 we are cautious on upside moves.

Capesize Index

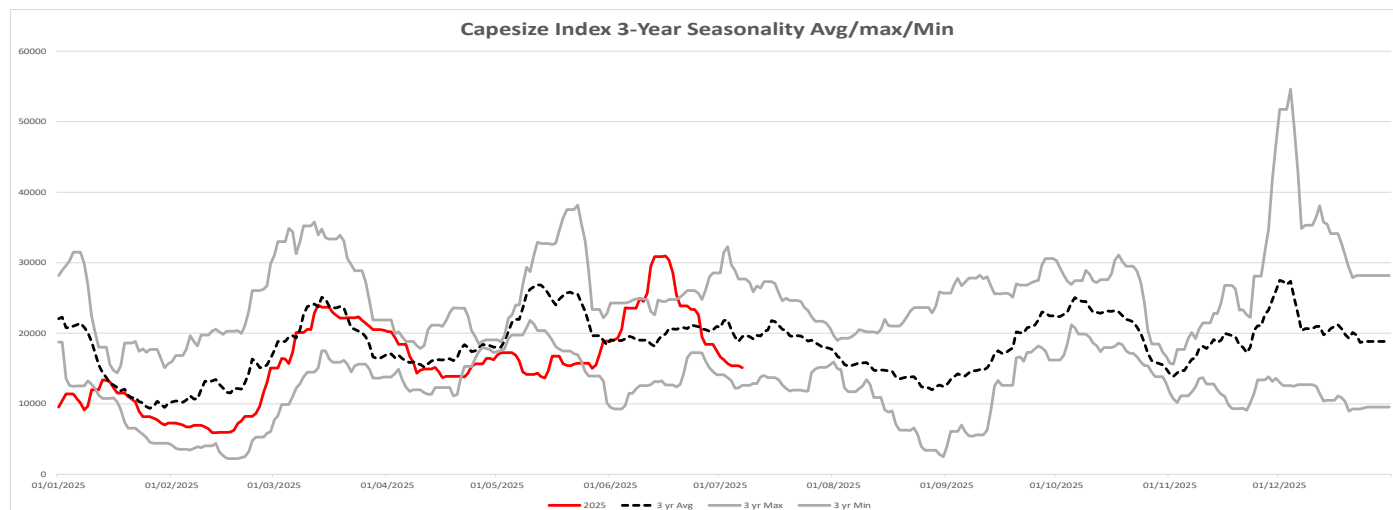


Support	Resistance	Current Price	Bull	Bear
S1	R1	15,132	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (37)
- Stochastic is oversold
- Price is below the weekly pivot point (USD 16,091)
- Technically bullish with a neutral bias last week, the probability of the index trading to a new high had started to decrease. The MA on the RSI implied that momentum was weak; however, the futures were now testing the 200-period MA (USD 17,428). A close that held below the average would warn that the USD 17,241—USD 13,670 fractal support zone could come under pressure. Conversely, if support held, and we closed above the weekly pivot level (USD 20,061), it would indicate that buy-side pressure was increasing. Whilst on the average, price was at an inflection point with faster moving momentum (6-period RSI, not shown) in oversold territory, meaning we are cautious on moves lower at that point.
- The index continued to come under pressure with now below the 200-period MA (17,155). We are now below all key moving averages supported by the RSI below 50.
- Momentum based on price is aligned to the sell side, a close above USD 15,732 will mean it is aligned to the buy-side. Upside moves that fail at or below USD 25,567 will leave the index vulnerable to further tests to the downside, above this level, the technical will be back in bullish territory.
- We remain bullish with a neutral bias, the probability of price trading to a new high within this phase of the cycle continues to decrease. The MA on the RSI implies that momentum is weak at this point, whilst price is below the weekly pivot level (USD 16,091) and the 200-period MA (USD 17,155). As noted last week, faster moving momentum indicators are oversold; however, for buy-side support, the futures are going to need to close and hold above these two resistance levels to avoid further downside in the near-term.



Capesize Aug 25 (1 Month forward)

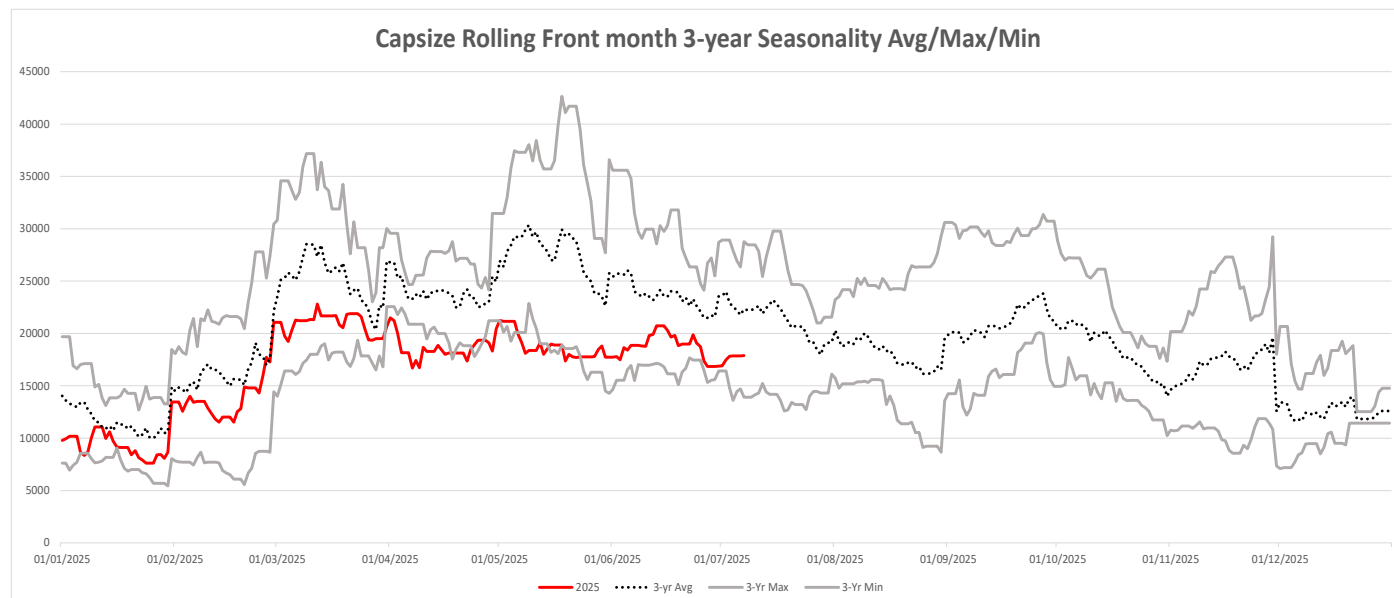


	Support		Resistance		Current Price	Bull	Bear
S1	16,625	R1	18,041		18,000	Stochastic oversold	RSI below 50
S2	16,250	R2	19,512				
S3	15,684	R3	21,365				

Synopsis

- Price is between the 8-21 period EMA's
- RSI is below 50 (47)
- Stochastic is oversold
- Near-term price action was bearish last week, whilst the longer-term Elliott wave cycle was bullish above USD 15,684, and neutral below. The MA on the RSI implied that momentum was weak, this was supported by the RSI making new lows, suggesting upside moves in the near-term had the potential to be countertrend. However, we had noted in the morning intraday technical that we are looking over extended to the downside (based on faster moving, shorter term momentum indicators), suggesting caution on moves lower at those levels, at that point.
- The futures have found light bid support with price around USD 1,100 higher, having failed to trade below the USD 16,625 low. We are between the 8-21 period EMA's with the RSI below 50.
- Upside moves that fail at or below USD 19,512 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish based on price, the Elliott wave cycle remains bullish above USD 15,684, and neutral below. As noted previously, the downside move in the futures to a low of USD 16,625 had been replicated by the RSI, suggesting upside moves had the potential to be countertrend in the near-term. The futures are trading on the 200-period MA (USD 17,850) whilst we have trend resistance at USD 18,041 and market profile resistance at USD 18,500 (making this the most heavily traded area based on price in the last 12 months), suggesting caution on upside moves in the near-term. However, if we trade above the USD 19,512 level, then the probability of the futures trading below USD 16,625 will start to decrease.

Source Bloomberg



Cape Q3 25



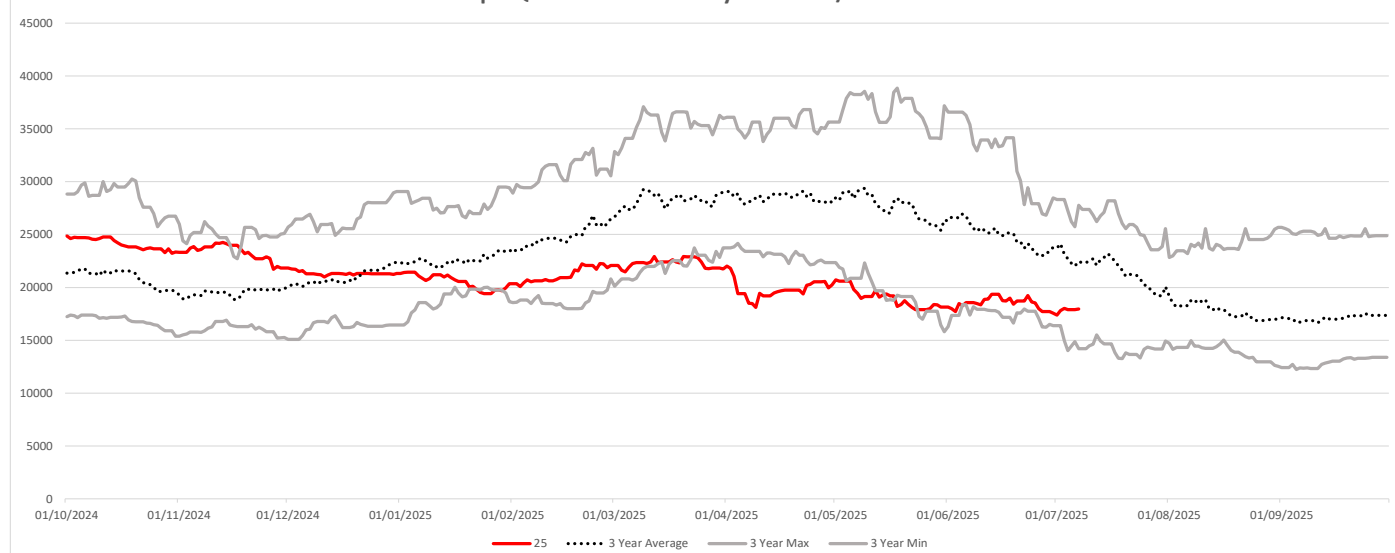
Support	Resistance	Current Price	Bull	Bear
S1	R1	18,225		RSI below 50
S2	R2			
S3	R3			

Synopsis

Source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is below 50 (46)
- Stochastic is below 50
- Technically bearish last week, the MA on the RSI implied that we had light momentum weakness. However, the move below the USD 17,500 fractal support had created a positive divergence with the RSI. Not a buy signal, it warned that sell side momentum could slow, meaning we are cautious on downside moves at these levels. Like the rolling front month contract, lower timeframe momentum indicators were warning that intraday upside moves had the potential to be countertrend in the very near-term.
- Having traded to a low of USD 17,191 the futures have found bid support on the back of a positive divergence with the RSI. We are between the 8-21 period EMA's with the RSI below 50.
- Upside moves that fail at or below USD 18,640 will leave the futures vulnerable to further tests to the downside, above this level the technical will have neutral bias.
- Technically bearish, the futures are seeing bid support on the back of the positive divergence with the RSI; however, intraday Elliott wave analysis indicates that upside moves should be countertrend, making USD 18,640 the key resistance to follow. If broken, then the probability of the futures trading to a new low will start to decrease. Whilst below USD 18,640 we are cautious on upside moves based on the lower timeframe Elliott wave cycle.

Cape Q3 3-Year Seasonality with Max/Min Values



Capesize Cal 26

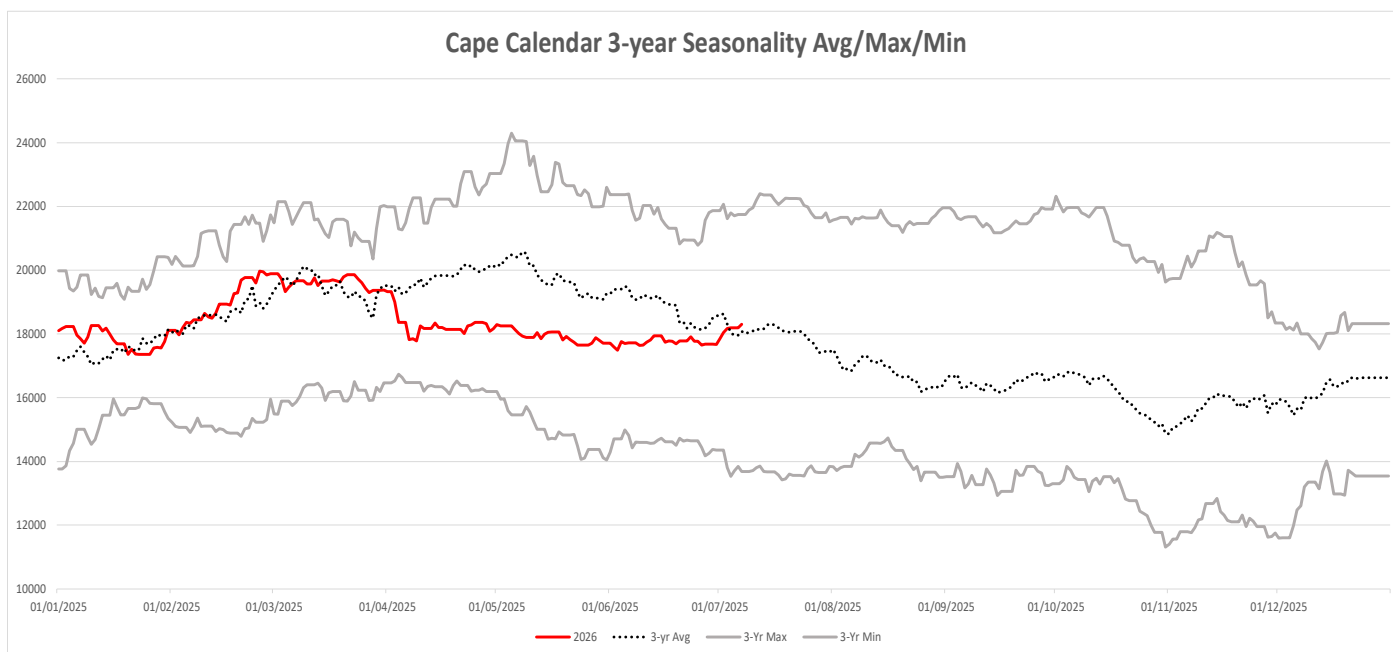


Support		Resistance		Current Price	Bull	Bear
S1	17,756	R1	18,650	18,400	RSI above 50	Stochastic overbought
S2	17,425	R2	19,042			
S3	17,225	R3	19,350			

Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (60)
- Stochastic is overbought
- The futures continued to consolidate last week, meaning near-term price action was neutral. However, we remained cautious of downside breakouts below USD 17,425, as it would create a positive divergence with the RSI, warning sell side momentum could slowdown. We were a cautious bear.
- The futures have broken to the upside, with price above the 8-21 period EMA's supported by the RSI above 50, the technical is now bullish.
- Upside moves that fail at or below USD 19,042 will warn that there could be a larger, bearish, Elliott wave cycle in play.
- Technically bullish due to the move above the USD 18,400 fractal resistance. The MA on the RSI implies that momentum is supported, warning the USD 18,650—USD 19,042 resistance levels are now vulnerable. Both price and the RSI are making new highs, suggesting downside moves could be countertrend, making USD 17,756 the key support to follow. If broken, then the probability of the futures trading to a new low will start to decrease. buyside pressure is increasing, meaning we are now cautious on corrective moves lower.



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



Support		Resistance		Current Price	Bull	Bear
S1	7.64	R1	8.50	8.40		
S2	7.44	R2	8.67			
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 above the 8-21 period EMA's
- RSI is below at (50)
- Stochastic is above 50
- Technically bearish based on price last week, the MA on the RSI implied we had 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 would start looking overextended to the downside below this level, meaning we are cautious on moves lower at those levels in the near-term.
- The futures closed at a low of USD 7.64 before finding bid support. Price is above the 8-21 period EMA's supported by the RSI above 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, having been overextended to the downside, the futures are now moving higher having held the USD 7.44 support. We are now testing the USD 8.50 resistance whilst the RSI is at resistance, meaning we are at an inflection point. If we close above USD 8.50, it will warn that the USD 8.95 fractal high could be tested and broken. Conversely, a rejection here will warn we could see another test to the downside. Whilst below USD 8.50 we are cautious on upside moves.

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