FIS

Capesize Technical Report

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Index

Technically bearish, the new low means that the futures are in divergence with the RSI. Not a buy signal, it is a warning that we could see a momentum slowdown, which will need to be monitored. The big question, have we seen a failed wave 5, or was the upside move to USD 31,000 a big wave B? In all honesty, it is difficult to call this one; however, we now have a 3-wave pattern lower with price in divergence with the RSI on the daily and intraday timeframes, meaning we are cautious on down-side moves at these levels. Upside moves that reject the USD 28,742 resistance will warn that there could be a larger corrective phase in play. Market sellers will need to be cautious above this level as it would suggest that the move to USD 31,000 was a B, and not a failed wave 5. A cautious bear.

Nov 25

Technically bullish with a neutral bias, the MA on the RSI implies that we have light momentum weakness. A close below 55-period EMA (USD 16,509) will target the USD 16,115 support. We mark this as an area of interest, as we have a 3-wave pattern lower with a 100% Fibonacci projection at USD 16,115, meaning we could see buyside support around this area. Upside moves above the USD 17,825 fractal resistance will indicate buyside pressure is increasing, warning the USD 18,500 fractal high could be tested and broken.

Q1 26

Bullish but in a corrective phase, the MA on the RSI implies that momentum remains weak at this point. A close that holds above the rising channel resistance (USD 22,647) will imply buyside support is entering the market, leaving the USD 23,075 resistance vulnerable. Conversely, if rejected it will indicate that there is further downside within the corrective phase. Whilst below the channel resistance we are cautious on upside moves.

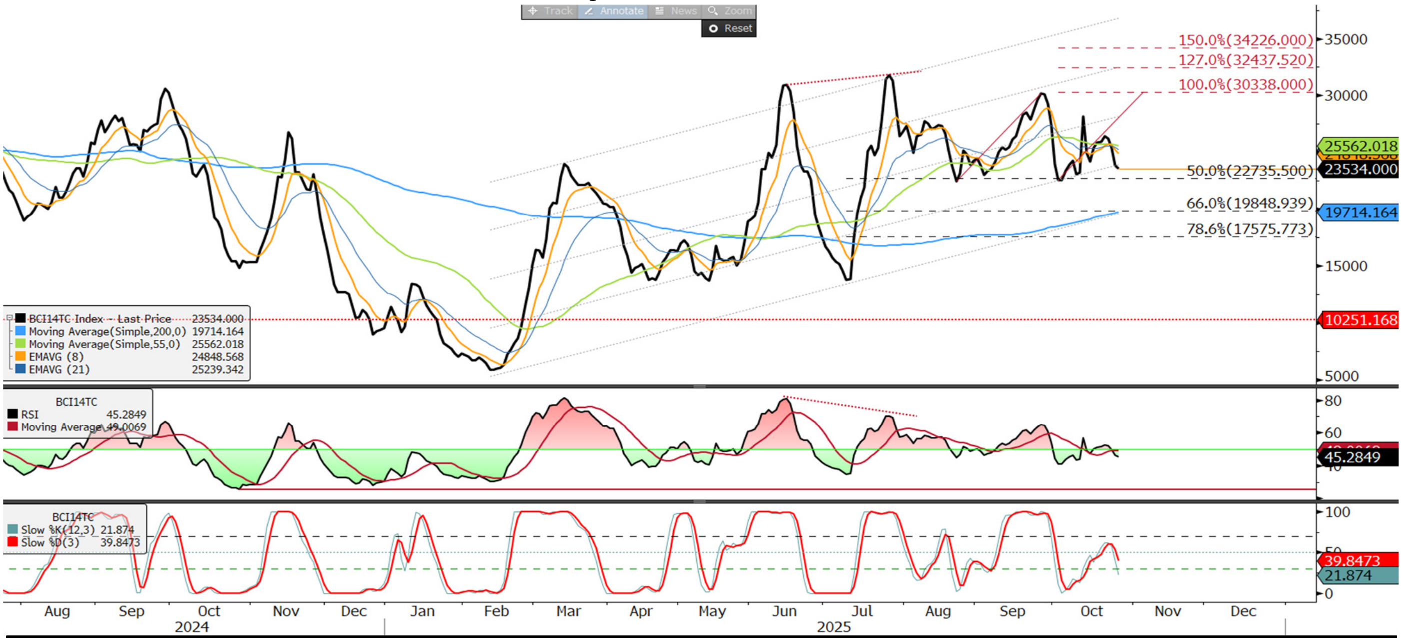
Cal 26

Bullish but in a corrective phase, the MA on the RSI implies that momentum remains weak at this point. A close that holds above the rising channel resistance (USD 22,647) will imply buyside support is entering the market, leaving the USD 23,075 resistance vulnerable. Conversely, if rejected it will indicate that there is further downside within the corrective phase. Whilst below the channel resistance we are cautious on upside moves.

C5 Nov 25

Technically bullish with a neutral bias, the probability of the futures trading to a new high has started to decrease, warning the USD 9.375 fractal low is vulnerable. The DMI looks like it could produce a bearish cross, whilst the ADX is dropping, warning we could soon be leaving a bullish trending environment. If however, we see a close that holds above the linear regression line (USD 10.31), it will imply that buyside pressure is increasing, meaning the USD 10.70 Fibonacci resistance could come under pressure.

Capesize Index

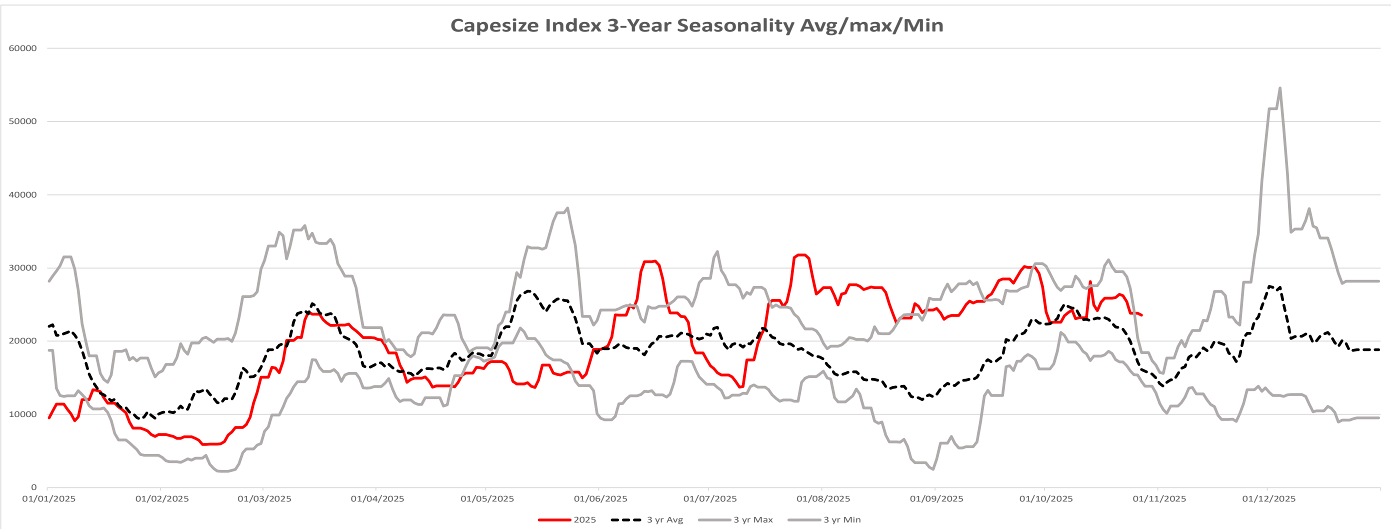


Support		Resistance		Current Price	Bull	Bear
S1	22,735	R1	24,675	23,534		RSI below 50
S2	19,848	R2	28,177			
S3	17,575	R3	30,338			

Source Bloomberg

Synopsis

- Price is below the 8-21 period EMA's
- RSI is below 50 (45)
- Stochastic is below 50
- Price is below the weekly pivot point (USD 24,675)
- The downside move in the index last week following the clarification on port fees meant that the technical was back in bearish territory. We are seeing light bid support but remained below the weekly pivot level (USD 26,066); a close above it would imply that sell side pressure was decreasing, whilst a close that held above the linear regression line (USD 27,642) would signal buyside pressure was increasing. Conversely, a rejection of the USD 26,066 level, or a close that failed to hold above it, would warn that support levels could come under pressure. Although bearish, the whipsaw in price does meant that the technical was lacking clarity on directional bias at that point.
- The index closed but failed to hold above the USD 26,066 level last week, resulting in price selling lower. We are below the 8-21 period EMA's supported by the RSI below 50.
- Momentum based on price is aligned to the sell side, a close above USD 24,675 will mean it is aligned to the sell side. Downside moves that hold at or above USD 19,848 will support a longer-term bull argument.
- Technically bearish, the failed swing high last week is warning that the USD 22,562 fractal low could be tested and broken. However, below this level there is a potential for a positive divergence with the RSI, meaning we currently have a note of caution on downside breakouts below this level in case a divergence comes into play. Market sellers need to be cautious on a close above the USD 24,675 level, as it will warn that sell side pressure is slowing.



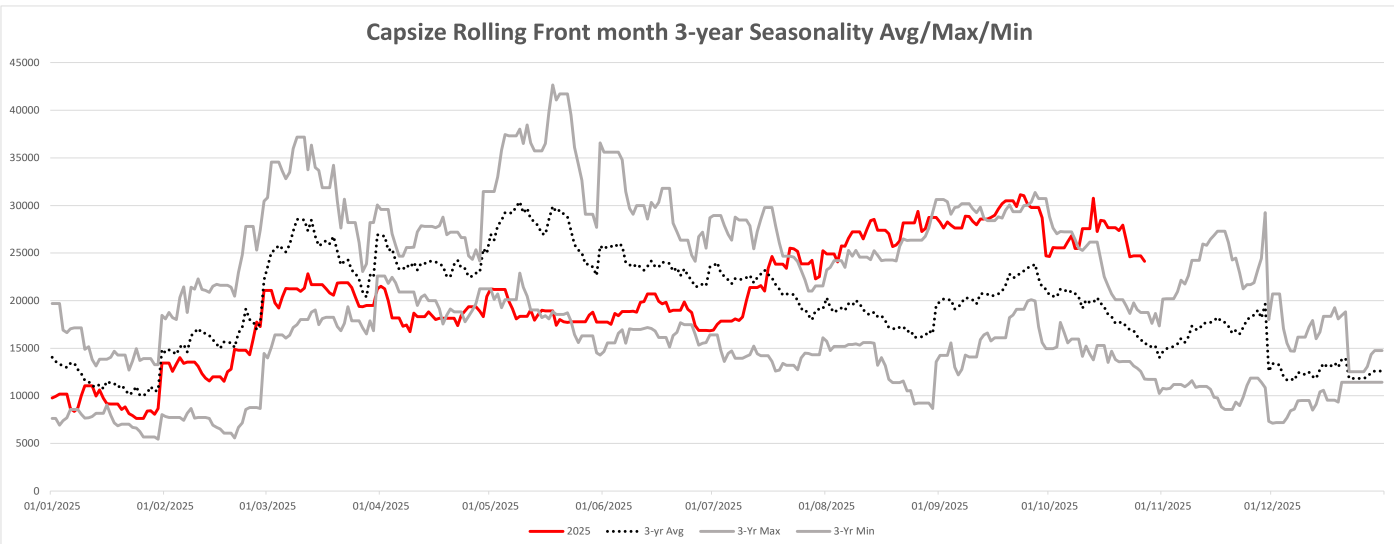
Capesize Nov 25 (1 Month forward)

Support		Resistance		Current Price	Bull	Bear
S1	23,937	R1	26,692	24,175	RSI below 50	Stochastic oversold
S2	21,597	R2	27,562			
S3	19,754	R3	28,742			

Synopsis

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (41)
- Stochastic is oversold
- We remain bearish with a neutral bias last week with the MA on the RSI implying that momentum was seeing light bid support. As highlighted in the morning technical reports, the Elliott wave cycle was unclear, as we had failed to trade above the USD 31,250 fractal high. This suggested that the Elliott wave cycle may have failed, whilst the subsequent move lower has resulted in price producing a bearish island reversal pattern. Countering this, whilst above the USD 26,462 support, resistance levels remained vulnerable, below USD 26,462 it would weaken the technical further, warning the USD 24,125 fractal low could come under pressure. Market sellers would need to be cautious above USD 29,425, as the bearish gap (window) would have been closed. Market bulls would need to keep price above the USD 26,462 support.
- The futures sold below the USD 26,462 levels, resulting in the USD 24,125 fractal low being tested and broken. We are below all key moving averages supported by the RSI below 50.
- Downside moves that hold at or above USD 21,597 will support a longer-term bull argument, below this level the higher timeframe Elliott wave cycle will have a neutral bias. Likewise, upside moves that fail at or below USD 28,742 will warn that there is a larger corrective Elliott wave cycle in play.
- Technically bearish, the new low means that the futures are in divergence with the RSI. Not a buy signal, it is a warning that we could see a momentum slowdown, which will need to be monitored. The big question, have we seen a failed wave 5, or was the upside move to USD 31,000 a big wave B? In all honesty, it is difficult to call this one; however, we now have a 3-wave pattern lower with price in divergence with the RSI on the daily and intraday timeframes, meaning we are cautious on downside moves at these levels. Upside moves that reject the USD 28,742 resistance will warn that there could be a larger corrective phase in play. Market sellers will need to be cautious above this level as it would suggest that the move to USD 31,000 was a B, and not a failed wave 5. A cautious bear.



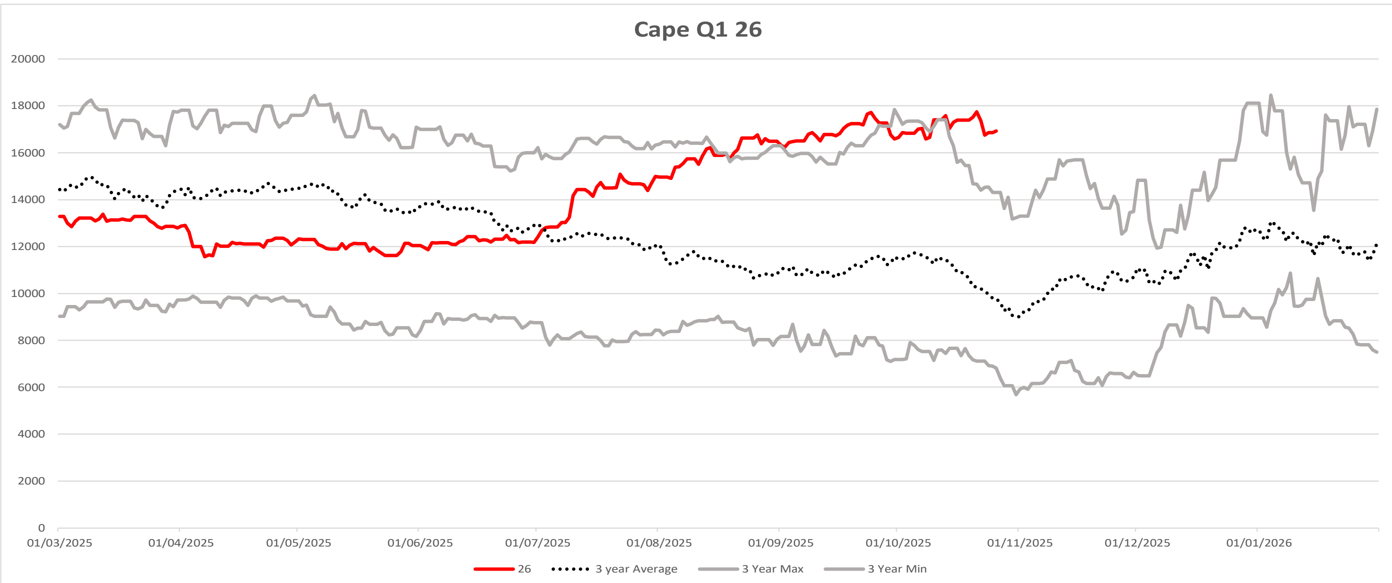
Capesize Q1 26

Support		Resistance		Current Price	Bull	Bear
S1	16,115	R1	17,825	16,625	Stochastic oversold	RSI below 50
S2	15,892	R2	18,270			
S3	15,087	R3	18,500			

Synopsis

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (48)
- Stochastic is oversold
- Technically bullish but in a corrective phase in the **Q4** futures last week, the MA on the RSI implied that we had light momentum support. Whilst above USD 25,488 resistance levels remain vulnerable; however, we noted that price had gapped lower creating and island reversal pattern (bearish), whilst we are in divergence with the RSI, meaning we have a note of caution on higher moves. If we did trade above the USD 29,250 fractal high, it would create further divergences with the RSI, suggesting upside moves will struggle to hold.
- The Q4 futures have sold to a low of USD 24,175. We now move to the **Q1** futures. We are in a corrective phase with price below the 8-21 period EMA's supported by the RSI below 50.
- Downside moves that hold at or above USD 13,995 will support a bull argument, below this level the Elliott wave cycle will have a neutral bias.
- Technically bullish with a neutral bias, the MA on the RSI implies that we have light momentum weakness. A close below 55-period EMA (USD 16,509) will target the USD 16,115 support. We mark this as an area of interest, as we have a 3-wave pattern lower with a 100% Fibonacci projection at USD 16,115, meaning we could see buyside support around this area. Upside moves above the USD 17,825 fractal resistance will indicate buyside pressure is increasing, warning the USD 18,500 fractal high could be tested and broken.



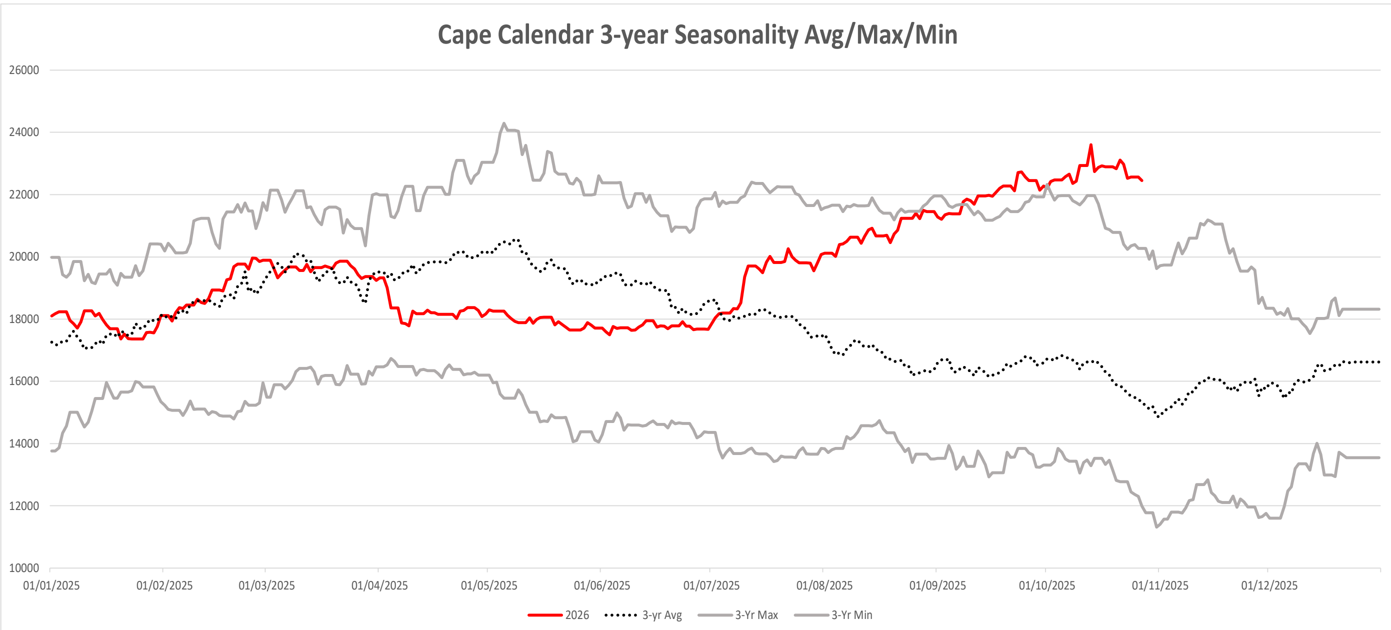
Capesize Cal 26

Support		Resistance		Current Price	Bull	Bear
S1	22,404	R1	22,647	22,575	RSI above 50	
S2	21,760	R2	23,075			
S3	21,241	R3	23,600			

Synopsis

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is above 50 (55)
- Stochastic is below 50
- Technically bullish last week, the futures continued to trade within the rising channel. We noted that we had seen an upside rejection with price in divergence with the RSI, implying caution on moves higher at that point. Our longer-term Elliott wave cycle continues to suggest that downside moves should in theory be countertrend; however, we had entered Q4 whilst the Q1 futures were in divergence with the RSI, suggesting the lower trend support was starting to look vulnerable (USD 22,404). A close below this level will weaken the technical further.
- The futures sold lower with price closing below the rising channel support (USD 22,647). We are below the 8-21 period EMA's supported by the RSI below 50.
- Downside moves that hold at or above USD 19,524 will support a longer-term bull argument, below this level the longer-term Elliott wave cycle will have a neutral bias.
- Bullish but in a corrective phase, the MA on the RSI implies that momentum remains weak at this point. A close that holds above the rising channel resistance (USD 22,647) will imply buyside support is entering the market, leaving the USD 23,075 resistance vulnerable. Conversely, if rejected it will indicate that there is further downside within the corrective phase. Whilst below the channel resistance we are cautious on upside moves.



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

Support		Resistance		Current Price	Bull	Bear
S1	9.37	R1	10.27	9.675	Stochastic oversold	RSI below 50
S2	9.16	R2	10.45			
S3	8.87	R3	10.70			

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 (45)
- Stochastic is oversold
- Technically bullish but in a corrective phase last week, the MA on the RSI implied that we had light momentum support. The futures were above the linear regression line (USD 10.26), a close below this level would warn that the USD 10.07 support could come under pressure. If broken, then the probability of the futures trading to a new high would start to decrease. Conversely, if we held above the USD 10.26—USD 10.07 support area, then resistance levels were in theory vulnerbale. The M1 looks like it has seen a 5th wave failure, whilst the Q4 25, Q1 26 and Cal 26 are all in divergence, meaning we were cautious on upside moves at that point.
- The futures have sold to a low of USD 9,67. We are below all key moving averages supported by the RSI below 50.
- Upside moves that fail at or below USD 10.70 will leave the futures vulnerable to further tests to the downisde, above this level the technical will be back in bullish territory.
- Technically bullish with a neutral bias, the probability of the futures trading to a new high has started to decrease, warning the USD 9.375 fractal low is vulnerable. The DMI looks like it could produce a bearish cross, whilst the ADX is dropping, warning we could soon be leaving a bullish trending environment. If however, we see a close that holds above the linear regression line (USD 10.31), it will imply that buyside pressure is increasing, meaning the USD 10.70 Fibonacci resistance could come under pressure.