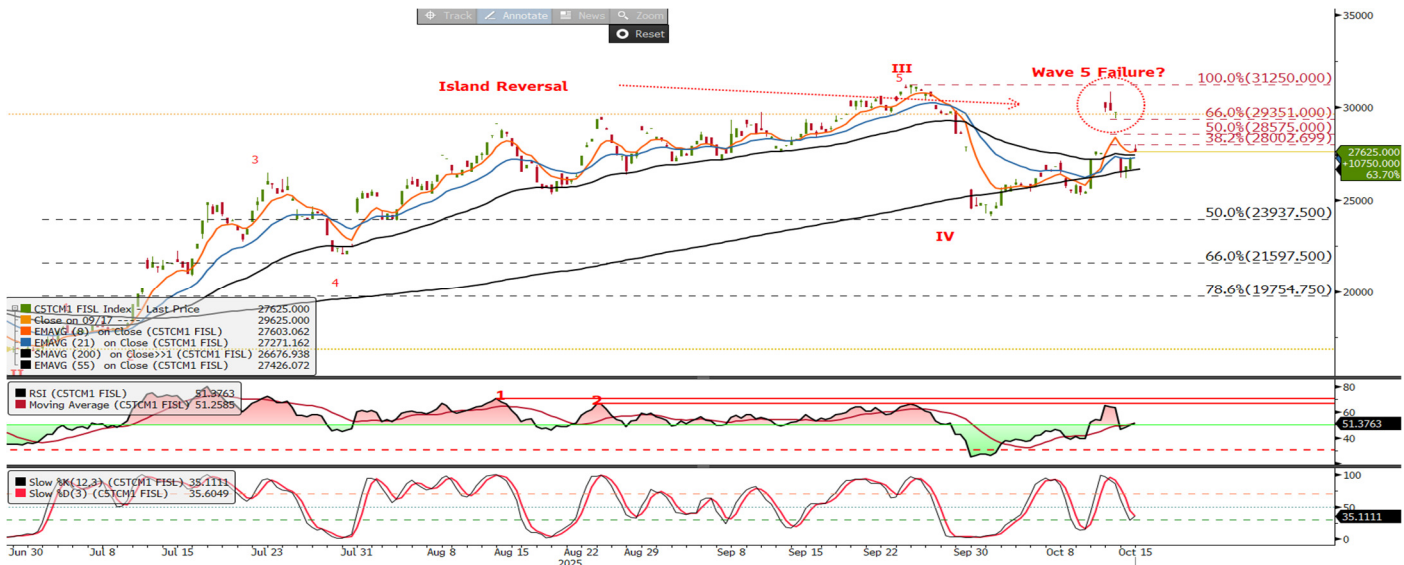


FIS Capesize Intraday

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

Capesize Nov 25 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	26,905	R1	28,033	27,625	RSI above 50	Stochastic overbought
S2	24,125	R2	28,600			
S3	23,937	R3	29,368			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (51)
- Stochastic is overbought
- Price is above the daily pivot level (26,908)
- The move below USD 26,967 yesterday meant that the technical was back in bearish territory, the depth of the pullback warned that the probability of the futures trading to a new high had started to decrease. The daily chart had a gapped higher followed by a gap lower, we noted that providing we saw no more headlines, the futures would have produced an island reversal pattern, providing the downside gap remained in play. This was a bearish pattern that warned the USD 24,125 support could be tested and broken. The Elliott wave cycle. We noted that this is a psychological footprint of the market, over the previous two days we have seen market psychology change twice, caused by the trade spat between US—China. The upside move yesterday suggested that we had entered a bullish impulse Elliott wave 5; however, we missed the high by USD 250. As one of our senior brokers commented yesterday (Kris Payne), the technical could go either up or down. Unfortunately, due to the lack of clarity, he was nearer to the truth than I would have liked. If this was a failed wave 5 (truncation) then the longer-term trend was bearish; however, if it was a larger wave B, then we were still corrective. Due to the time of year (seasonality), alongside the potential island reversal pattern on the daily chart, I opted to follow the truncation (wave failure), but noted the technical was unclear.
- The futures traded down to but held the 55-period EMA (USD 27,430) resulting in price finding light bis support. We are above all key moving averages with the RSI near-neutral at 51, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 26,908 with the RSI at or above 53.5 will mean price and momentum are aligned to the buy side; likewise, a close below this level with the RSI at or below 49 will mean it is aligned to the sell side. Upside moves that fail at or below USD 29,351 will leave the futures vulnerable to further tests to the downside, above this level the technical has a neutral bias.
- Technically we are back in bearish territory with price holding above the 55-period EMA. Technically, it is still unclear whether this is a failed bullish wave 5, or if we are still in a large corrective phase, with the downside move post close on Monday being reactionary before a closer look at the effects of Chinese built US ships had been assessed. Based on the technical now, the deep pullback and island reversal pattern mean we are cautious on upside moves whilst below USD 29,351. Above this level would suggest that the bullish wave 5 will come back into play.

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