

# FIS Capesize Technical Report

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## Index

We remain bullish with a neutral bias, meaning the probability of price trading to a new high continues to decrease. The MA on the RSI implies momentum is weak, whilst the RSI is making new lows, suggesting upside moves should be considered as countertrend at this point. Price is testing the 200-period MA (USD 23,967), meaning we are at an inflection point. If we hold above the average, then we could see a countertrend move higher; conversely, a close that holds below it will target the USD 22,562 fractal low.

## Feb 26

Technically bearish, the MA on the RSI implies that we have light momentum weakness. Fibonacci projection levels suggest that we should test the USD 15,376 support, whilst intraday Elliott wave analysis indicates upside moves have the potential to be countertrend. Just an observation, price is above 3-year average highs, whilst the index is below seasonality highs, suggesting support levels in the futures are vulnerable.

## Q2 26

Technically bullish, the MA on the RSI implies that momentum is weak. The futures are below the trend support line (USD 24,052); however, intraday Elliott wave analysis suggests that downside moves have the potential to be countertrend, making USD 22,824 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease. Conversely, a close that holds back above the trend support line will leave resistance levels vulnerable.

## Cal 27

Technically bullish but in a corrective phase the MA on the RSI implies we have light momentum weakness. Downside moves that hold at or above USD 22,025 will support a bull argument within the lower timeframe cycle. If broken, it will warn that we could be entering a countertrend Elliott wave 4. the corrective move followed by sideways action suggests that we are no longer in a trending environment.

## C5 Feb 26

Technically bearish, the MA on the RSI implies that momentum is weak at this point. The ADX at 52 implies we are in a strong trending environment, suggesting upside moves should be considered as countertrend at this point, making USD 9.22 the key resistance to follow. If broken, then the probability of the futures trading to a new low will start to decrease. Market sellers should be cautious on a close that holds above the linear regression line (USD 7.64), as it will warn that the Fibonacci resistance zone could come under pressure in the near-term.

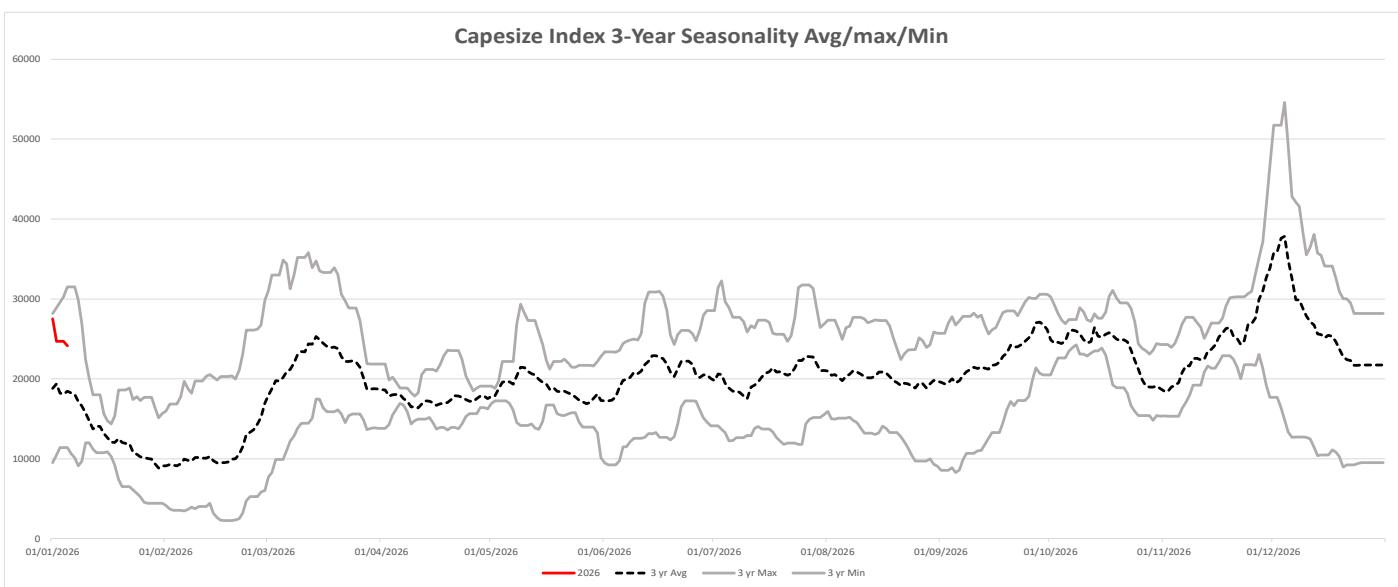
# Capesize Index



Support	Resistance	Current Price	Bull	Bear
S1 23,967	R1 25,854	24,149	Stochastic oversold	RSI below 50
S2 22,562	R2 31,899			
S3 20,842	R3 34,338			

## Synopsis

- 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 25,854)
- Technically bullish but with a neutral bias on the last report, the probability of the index trading to a new high had started to decrease. The MA on the RSI implied that momentum was weak, whilst the RSI had broken support previously on the move lower, warning upside moves had the potential to be counter-trend. We noted that if we closed above the weekly pivot level (USD 30,634) it would indicate that buy-side pressure was increasing; however, the technical suggested caution on moves higher whilst below the USD 39,519 level.
- The index continued to sell lower. Price is 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 26,533 will mean it is aligned to the buy-side. Upside moves that fail at or below USD 37,644 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, meaning the probability of price trading to a new high continues to decrease. The MA on the RSI implies momentum is weak, whilst the RSI is making new lows, suggesting upside moves should be considered as counter-trend at this point. Price is testing the 200-period MA (USD 23,967), meaning we are at an inflection point. If we hold above the average, then we could see a counter-trend move higher; conversely, a close that holds below it will target the USD 22,562 fractal low.



# Capesize Feb 26



Support	Resistance	Current Price	Bull	Bear
S1	15,386	R1	18,247	
S2	13,622	R2	19,902	
S3	11,375	R3	21,925	RSI below 50

## Synopsis

- Price is below the 8-21 period EMA's
- RSI is below 50 (34)
- Stochastic is oversold
- Technically bullish on the last report, the RSI was above its moving average; however, the MA on the RSI implies that momentum remained weak at that point. Countering this, the close on the 19/12 was above the high of the last dominant bear candle, implying buyside pressure was increasing, warning the USD 21,925 fractal resistance could come back under pressure. If broken, then market bulls will look to test the USD 23,125 high. Conversely, upside moves that failed to close and hold above the linear regression line (USD 21,703) should act with caution, as it would leave support levels vulnerable.
- We failed to trade above the linear regression line, resulting in price selling lower. We have now moved back to the rolling front month contract (Feb), as we have a larger data field. We are below all key moving averages supported by the RSI below 50.
- Upside moves that fail at or below USD 19,902 will leave the futures vulnerable to further tests top the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI implies that we have light momentum weakness. Fibonacci projection levels suggest that we should test the USD 15,376 support, whilst intraday Elliott wave analysis indicates upside moves have the potential to be countertrend. Just an observation, price is above 3-year average highs, whilst the index is below seasonality highs, suggesting support levels in the futures are vulnerable.

Source Bloomberg

## Capesize Rolling Front month 3-year Seasonality Avg/Max/Min



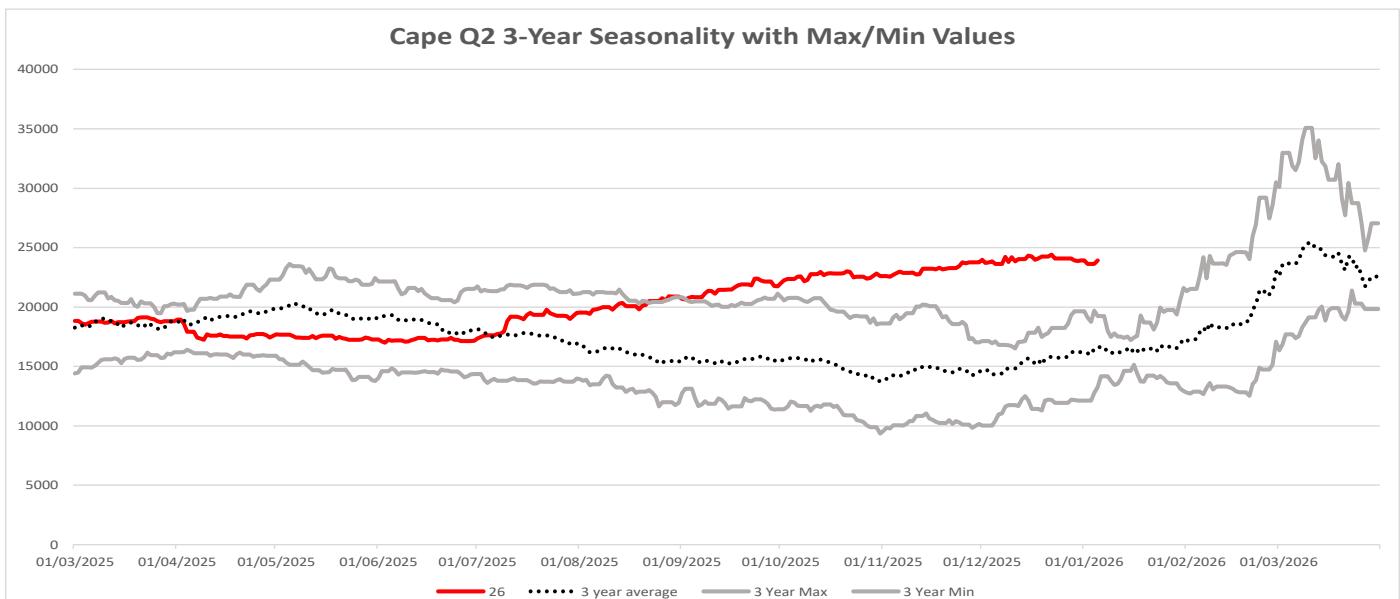
## Capesize Q2 26



Support		Resistance		Current Price		Bull		Bear	
S1	23,498	R1	24,052	23,925	RSI above 50				
S2	23,212	R2	24,394						
S3	22,824	R3	25,045						

## Synopsis

- Price is on the 8-21 period EMA's
- RSI is above 50 (54)
- Stochastic is oversold
- Unchanged on the technical on the last report, we remained bullish with MA on the RSI implying that momentum remained weak; however, the RSI was in the process of potentially crossing its average, an early sign that momentum could be turning. We had highlighted previously that the move above USD 19,438 suggested that downside moves could be countertrend, meaning the USD 20,050 resistance was becoming vulnerable.
- Having traded back up to the USD 19,725 level the futures have once again sold lower. We have now rolled to the Q2 26 contract. Price is on the 8-21 period EMA's with the RSI above 50.
- Downside moves that hold at or above USD 22,824 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 weak. The futures are below the trend support line (USD 24,052); however, intraday Elliott wave analysis suggests that downside moves have the potential to be countertrend, making USD 22,824 the key support to follow. If broken, then the probability of the futures trading to a new high will start to decrease. Conversely, a close that hold back above the trend support line will leave resistance levels vulnerable.



# Capesize Cal 27

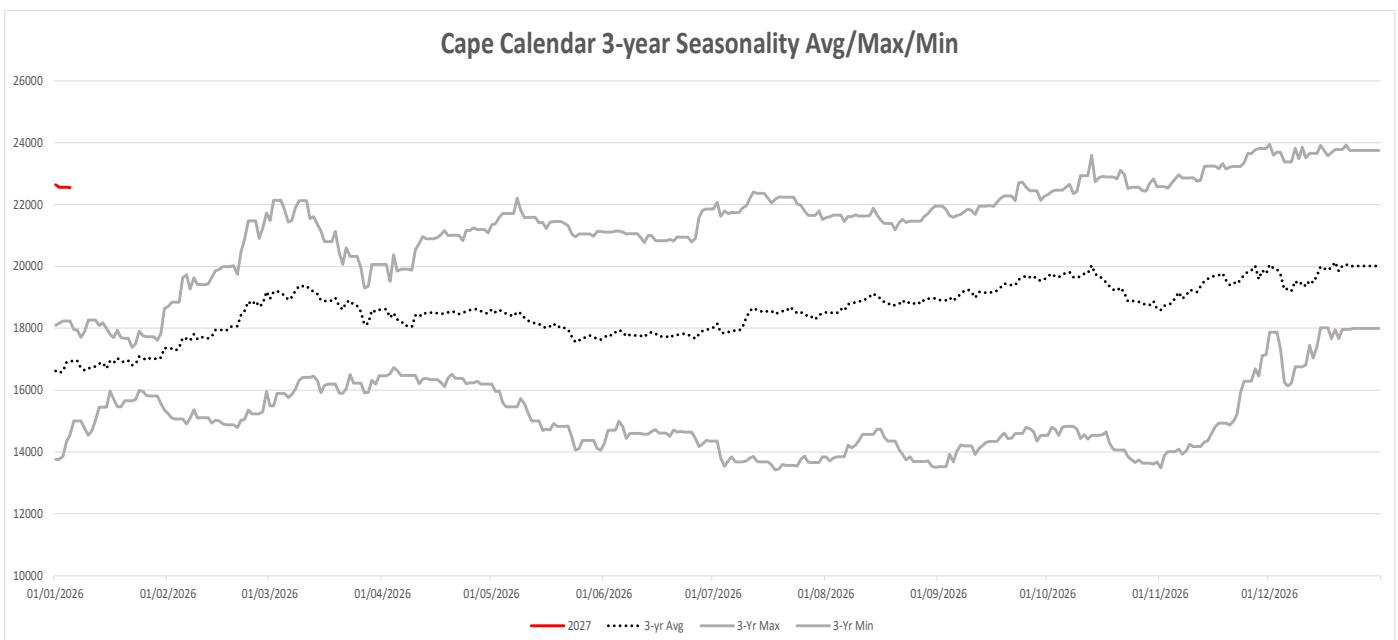


Support		Resistance		Current Price		Bull	Bear
S1	22,393	R1	23,074	22,550	RSI above 50		
S2	22,237	R2	23,537				
S3	22,025	R3	24,000				

## Synopsis

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is above 50 (52)
- Stochastic is above 50
- Technically bullish on the last report, the MA on the RSI implied that momentum was weak; however, the RSI was above its average, warning momentum could be turning to the buysize. As highlighted previously, the futures had held above the USD 23,225 Fibonacci projection whilst failing to hold below the trend support line, warning the USD 24,050 fractal high could be tested and broken. We continue to be cautious on downside moves at that point.
- The futures tested but failed to trade above the USD 24,050 level, resulting in price seeing a small pullback. We have now rolled into the Cal 27. Price is below the 8-21 period EMA's with the RSI above 50.
- Downside moves that hold at or above USD 22,025 will support a bull argument, below this level will warn that the futures are entering a corrective phase. However, the longer-term Elliott wave cycle remains bullish above 20,037 and neutral below.
- Technically bullish but in a corrective phase the MA on the RSI implies we have light momentum weakness. Downside moves that hold at or above USD 22,025 will support a bull argument within the lower timeframe cycle. If broken, it will warn that we could be entering a countertrend Elliott wave 4. the corrective move followed by sideways action suggests that we are no longer in a trending environment.



## **Capesize C5 Feb 26 (Heiken Ashi Chart)**



Support		Resistance		Current Price	Bull	Bear
S1	6.83	R1	7.64			
S2	6.17	R2	8.35			
S3	5.96	R3	8.72			

## 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 (27)
- Stochastic is oversold
- Unchanged on the technical on the last report, we remained bullish with a neutral bias. We noted that the move below USD 8.09 previously meant that the probability of the futures trading to a new high had started to decrease. We also highlighted that when price broke key support on the move lower the RSI also broke support, warning upside moves could struggle to hold, making USD 8.51 the key resistance to follow. If rejected it would warn that support levels could come back under pressure. Market bulls will need to see price above the USD 8.51 level.
- The futures continued to sell lower with the futures now bearish, we have now rolled to the Feb contract. Price is below all key moving averages with the RSI below 50.
- Upside moves that fail at or below USD 9.22 (adjusted higher as we are back looking at the rolling front month) will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI implies that momentum is weak at this point. The ADX at 52 implies we are in a strong trending environment, suggesting upside moves should be considered as countertrend at this point, making USD 9.22 the key resistance to follow. If broken, then the probability of the futures trading to a new low will start to decrease. Market sellers should be cautious on a close that holds above the linear regression line (USD 7.64), as it will warn that the Fibonacci resistance zone could come under pressure in the near-term.

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