

# FIS Capesize Technical Report

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

## Index

The index is below the 200-period MA and the weekly pivot level at USD 24,522, warning the USD 20,333 Fibonacci support is becoming vulnerable. This is a key level on the technical; if broken market sellers would target the USD 16,226 fractal low. Conversely, corrective moves that hold above this level will warn that there is an underlying support in the market. For upside continuation we will need to close above the weekly pivot level and the 200-period MA. The technical is showing signs of momentum weakness, warning support is vulnerable.

## March 26

The futures have entered a consolidation phase with the RSI moving average implying we have momentum support. However, the RSI is now testing its MA, meaning momentum is at an inflection point. If the RSI crosses its average with the stochastic moving below 70, it will signal that momentum is weakening, warning support levels could come under pressure. Our Elliott wave analysis continues to suggest that downside moves should be considered as countertrend, making USD 22,606 the key support to monitor. Corrective moves below USD 22,606 will be considered as deep into the last bull wave, at this point, the probability of price trading to a new high will be reduced. Momentum will need to hold MA support, alongside bullish, price action to signal resistance is vulnerable.

## Q2 26

The Moving average on the RSI continues to suggest that we have light momentum weakness; however, the stochastic is moving lower while the RSI holds below 50. Momentum is showing signs of weakness, but this is not validated by price, implying caution on corrective moves lower. Our Elliott wave analysis continues to suggest downside moves should be considered as countertrend, making USD 24,839 the key support to follow. Corrective moves that break the USD 24,839 will take the technical into a neutral phase. Based on momentum and wave analysis, we continue to be cautious on lower moves.

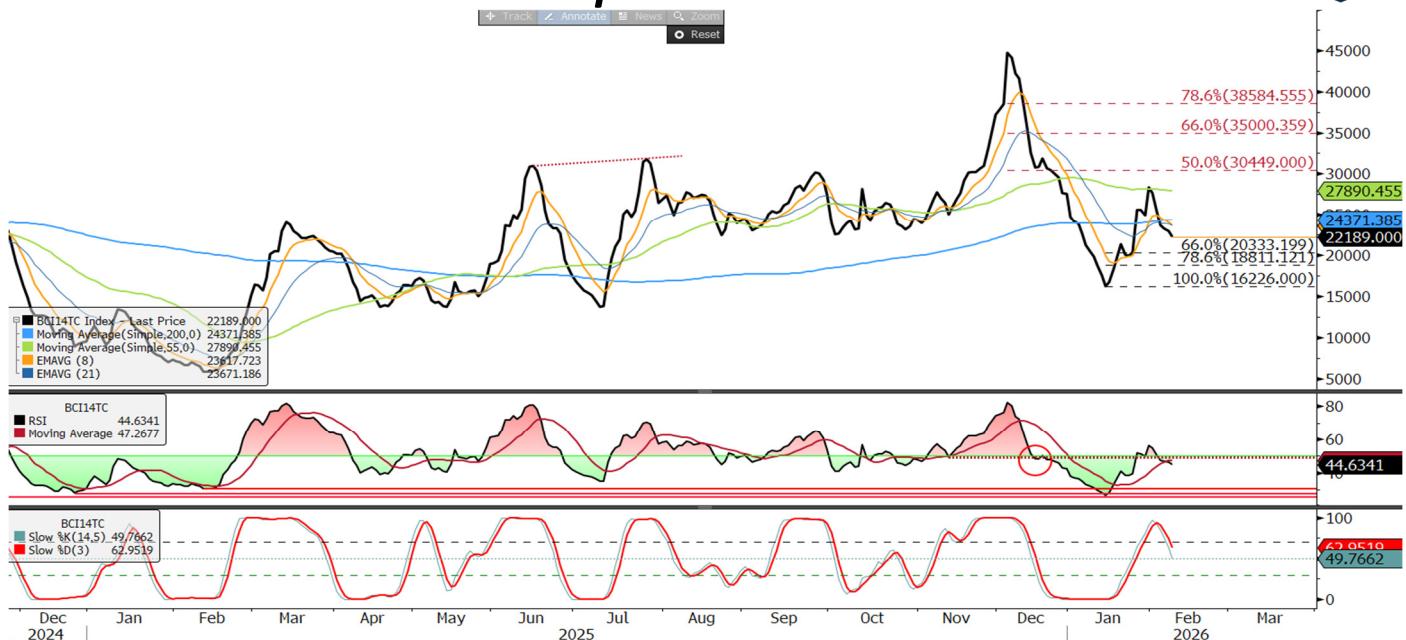
## Cal 27

The RSI held momentum support (highlighted on the chart last week), resulting in a small move higher; however, the RSI moving average continues to warn of momentum weakness. Elliott wave analysis continues to suggest that downside moves should be considered as countertrend, making USD 23,895 the key support to monitor. A sustained move below USD 23,895 would reduce the probability of the futures trading to new high. As highlighted previously, we continue to be cautious on corrective move lower while above USD 23,895. We are seeing price support but for the futures to challenge the USD 26,700 high, the RSI is probably going to need to cross its moving average. Signs of support but not yet bullish.

## C5 Mar 26

Unchanged on the technical this week. The ADX at 56 indicates that we remain in a bullish trending environment while the RSI moving average implies we have momentum support, suggesting downside moves should be considered as countertrend while above the USD 8.85 level. If the RSI moves below its MA it will imply that momentum is weakening, warning the Fibonacci support zone could come under pressure in the near-term.

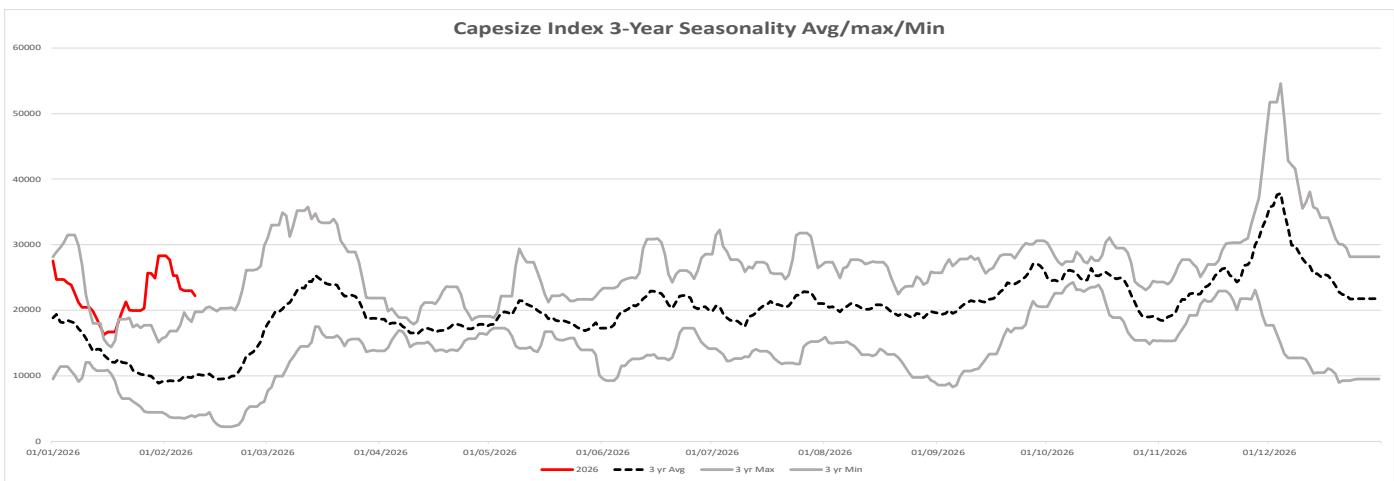
# Capesize Index



Support	Resistance	Current Price	Bull	Bear
S1 20,333	R1 28,306	22,189	RSI below 50	
S2 18,811	R2 30,449			
S3 16,226	R3 35,000			

## Synopsis

- Price is below the 8-21 period EMA's
- RSI is below 50 (44)
- Stochastic is above 50
- Price is below the weekly pivot point (USD 25,642)
- Technical outlook last week: Neutral. The index had entered a corrective phase with price below the weekly pivot level at USD 25,642, implying we were seeing an increase in sell side pressure. Countering this, price is currently above the 200-period MA while the RSI moving average implied momentum is supported. Technical signals are conflicting, if we closed below the daily 200 period MA it will leave the USD 20,333 vulnerable, a level we identify as key from a support perspective. If broken, market sellers would target the USD 16,226 fractal low; conversely, corrective moves that held the 200-MA, or the USD 20,333 level would indicate there is an underlying support in the market.
- The continues to come under pressure with price now below the 200-period MA (USD 24,371). We are 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 23,261 will mean it is aligned to the buyside. Upside moves that fail at or below USD 35,000 will leave the index vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technical outlook: Weakening but above key support
- The index is below the 200-period MA and the weekly pivot level at USD 24,522, warning the USD 20,333 Fibonacci support is becoming vulnerable. This is a key level on the technical; if broken market sellers would target the USD 16,226 fractal low. Conversely, corrective moves that hold above this level will warn that there is an underlying support in the market. For upside continuation we will need to close above the weekly pivot level and the 200-period MA. The technical is showing signs of momentum weakness, warning support is vulnerable.



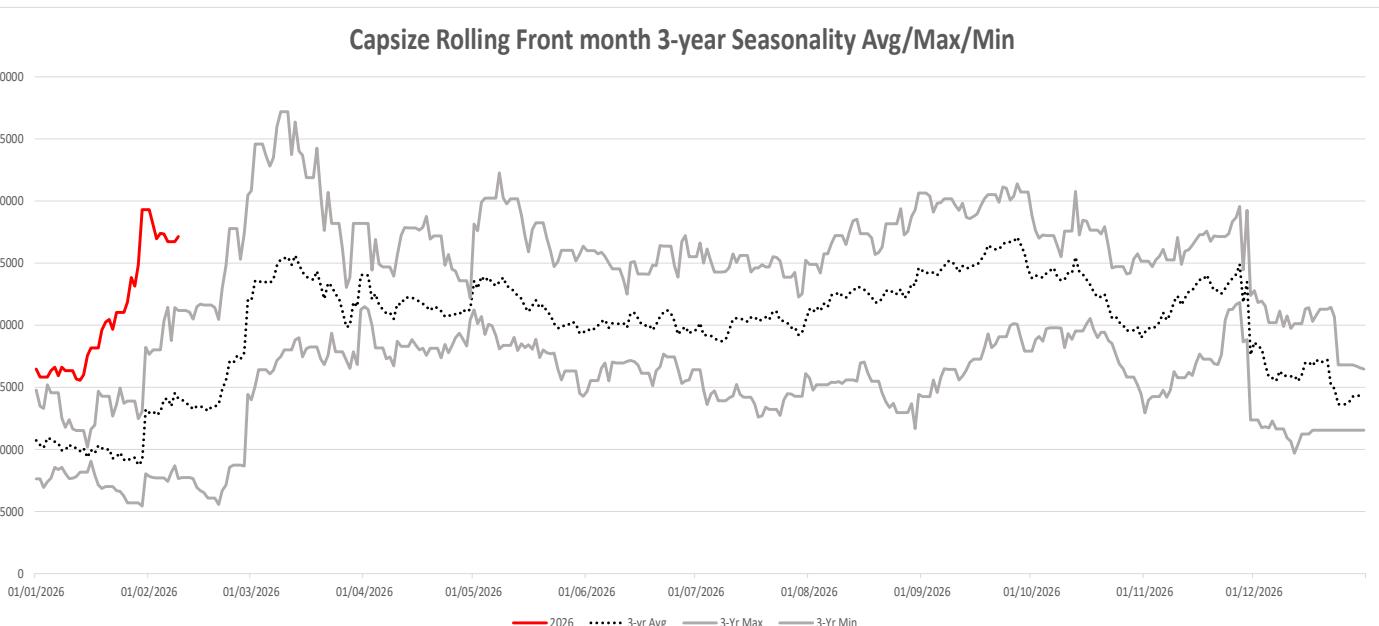
# Capesize March 26



Support	Resistance	Current Price	Bull	Bear
S1	25,657	R1	30,375	
S2	24,362	R2	33,375	
S3	22,606	R3	36,375	Stochastic overbought

## Synopsis

- Price is above the 8-21 period EMA's
- RSI is above 50 (61)
- Stochastic is overbought
- Technical outlook last week: The upside move above the daily 200-period MA previously signaled a bullish Elliott wave extension, resulting in price trading to a high of USD 29,850 on the roll into March. Price had entered a corrective phase with downside moves considered as countertrend, the RSI moving average implied that momentum was supported. As highlighted in the intraday technical, price was coming under pressure do to a mean reversion gap with its moving averages, warning support levels could come under pressure in the near-term. However, we maintained a cautious approach to lower moves while above the USD 22,606 level; a sustained breach below USD 22,606 would reduce the probability of price trading to a new high.
- The futures have consolidated for the last week with price continuing to hold above the 8-21 period EMA's with the RSI above 50.
- Downside moves that hold at or above USD 22,606 will support a bull argument, below this level the technical will have a neutral bias.
- Technical Outlook: Bullish- Countertrend corrective phase.
- The futures have entered a consolidation phase with the RSI moving average implying we have momentum support. However, the RSI is now testing its MA, meaning momentum is at an inflection point. If the RSI crosses its average with the stochastic moving below 70, it will signal that momentum is weakening, warning support levels could come under pressure. Our Elliott wave analysis continues to suggest that downside moves should be considered as countertrend, making USD 22,606 the key support to monitor. Corrective moves below USD 22,606 will be considered as deep into the last bull wave, at this point, the probability of price trading to a new high will be reduced. Momentum will need to hold MA support, alongside bullish, price action to signal resistance is vulnerable.

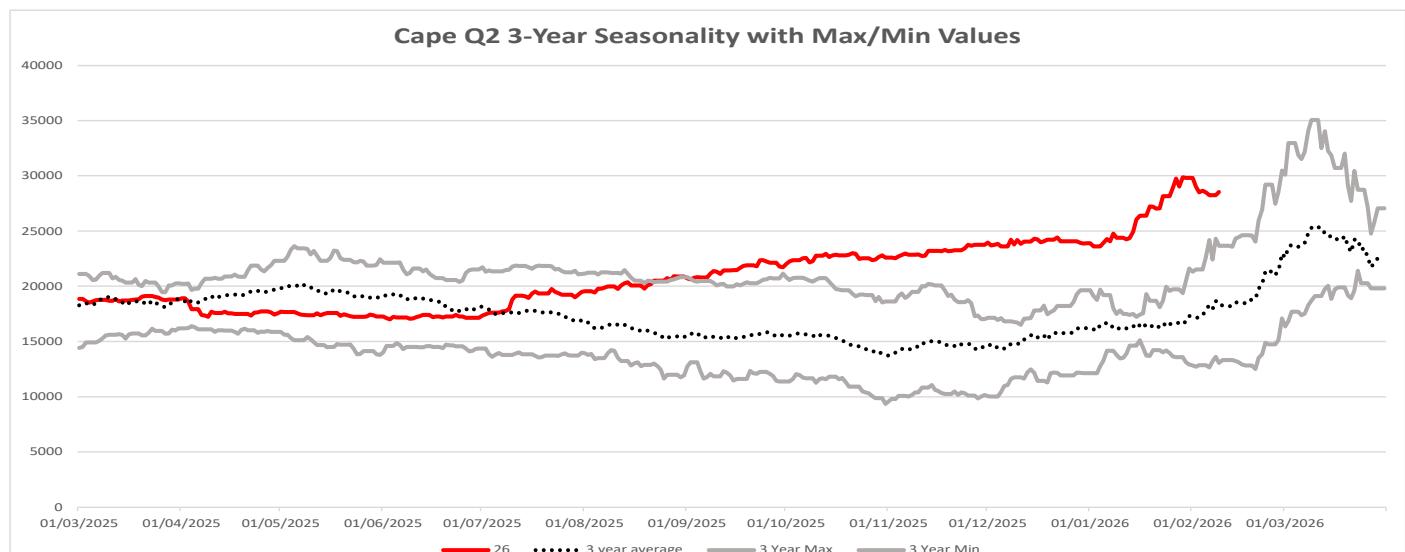


## Capesize Q2 26

**Synopsis**

Source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is above 50 (62)
- Stochastic is above 50
- Technical outlook last week: Countertrend corrective phase. Having consolidated for 5 days while showing signs of resistance, the futures had entered a corrective phase lower. The RSI moving averages indicate that we are starting to see signs of light momentum weakness; however, our Elliott wave analysis continued to suggest that corrective moves should be considered as countertrend. The broader trend remained bullish but the breakdown from the consolidation signaled that support levels could come under pressure in the near-term. We identify USD 24,839 as the key support to monitor, as a sustained breach of this level would reduce the probability of price trading to a new high.
- The futures have entered a second consolidation phase with price holding between the EMA support with the RSI below 50.
- Downside moves that hold at or above USD 24,839 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Bullish—Countertrend corrective phase.
- The Moving average on the RSI continues to suggest that we have light momentum weakness; however, the stochastic is moving lower while the RSI holds below 50. Momentum is showing signs of weakness, but this is not validated by price, implying caution on corrective moves lower. Our Elliott wave analysis continues to suggest downside moves should be considered as countertrend, making USD 24,839 the key support to follow. Corrective moves that break the USD 24,839 will take the technical into a neutral phase. Based on momentum and wave analysis, we continue to be cautious on lower moves.



## **Capesize Cal 27**

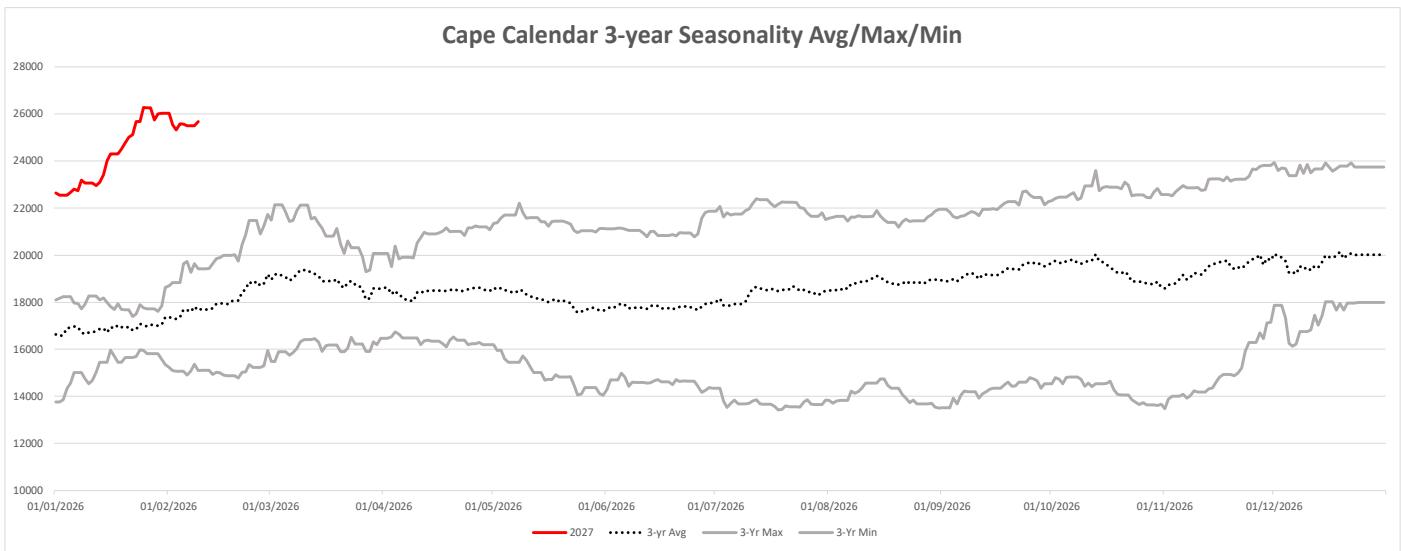


Support		Resistance		Current Price	Bull	Bear
S1	25,076	R1	26,500	25,675	RSI above 50	
S2	24,575	R2	27,444			
S3	23,895	R3	28,028			

## Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (67)
- Stochastic is above 50
- Technical outlook last week: Bullish—countertrend correction. Price had entered a corrective phase while the RSI moving average was showing signs of momentum weakness, warning the Fibonacci support zone could come under pressure in the near-term. On the buyside, our Elliott wave analysis did indicate that downside moves should be considered as countertrend, meaning we have a cautious approach on corrective moves while above USD 23,895. A sustained move below USD 23,895 would reduce the probability of the futures trading to new highs.
- The futures have held the Fibonacci support zone, resulting in a small move higher. We are above all key moving averages with the RSI above 50.
- Downside moves that hold at or above USD 23,895 will support a bull argument, below this level will the technical will have a neutral bias.
- Technical Outlook: Bullish—countertrend correction.
- The RSI held momentum support (highlighted on the chart last week), resulting in a small move higher; however, the RSI moving average continues to warn of momentum weakness. Elliott wave analysis continues to suggest that downside moves should be considered as countertrend, making USD 23,895 the key support to monitor. A sustained move below USD 23,895 would reduce the probability of the futures trading to new high. As highlighted previously, we continue to be cautious on corrective move lower while above USD 23,895. We are seeing price support but for the futures to challenge the USD 26,700 high, the RSI is probably going to need to cross its moving average. Signs of support but not yet bullish.



# Capesize C5 March 26 (Heiken Ashi Chart)



## 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 above 50 (65)
- Stochastic is overbought
- Technical outlook last week: Countertrend correction. We noted last week that the ADX had already started to turn higher before the roll into March, signaling price had entered a bullish trending environment. The RSI moving average implied that we had momentum support, but price had entered a corrective phase. However, with momentum support from both the ADX and RSI average, we had a cautious approach on corrective moves while above the USD 8.85 support. A move below USD 8.85 would signal that sell-side pressure was increasing, warning that the probability of price trading to a new high would be reduced.
- The futures remain in a corrective phase but price is finding light bid support. We remain above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 8.85 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Bullish—Countertrend correction
- Unchanged on the technical this week. The ADX at 56 indicates that we remain in a bullish trending environment while the RSI moving average implies we have momentum support, suggesting downside moves should be considered as countertrend while above the USD 8.85 level. If the RSI moves below its MA it will imply that momentum is weakening, warning the Fibonacci support zone could come under pressure in the near-term.

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