

# FIS Capesize Technical Report

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### Technical outlook: Momentum support, resistance vulnerable

The corrective move lower last week held above the USD 20,333 level, indicating there was an underlying support in the market. The RSI has reclaimed the 50 level, while the 21 period ROC has held trend support (middle window, Rate Of Change); finally, the stochastic pullback failed to enter oversold territory. Momentum is showing signs of support, warning the USD 28,306 fractal resistance could be tested and broken in the near-term. We also see price above the 200-period MA at USD 24,587 and the weekly pivot level at USD 24,288, while above this support zone, resistance is considered as vulnerable. However, a close below USD 24,288 will signal an increase in sell-side pressure. Based on momentum and price, the technical is warning we could move higher in the near-term.

### March 26

#### Technical Outlook: Cautious Bull—Negative divergence

The upside move to a new high has resulted in a negative divergence with both the RSI and the stochastic, not a sell signal it is a warning that we could see a momentum slowdown, which needs to be monitored. However, price is the lead indicator and remains above the trend support line at USD 28,845, indicating we remain in a bullish trending environment. The divergence is a warning, a sustained close below the support line will be confirmation that price is entering a corrective phase. Downside moves that hold at or above USD 27,551 will warn that there remains an underlying support in the market; if broken, it will weaken the technical further, warning that the probability of price trading to a new high will be reduced. Conversely, if we stay elevated at these levels, or see a sustained move higher, it will point to a bullish Elliott wave extension. Momentum currently suggests caution on higher moves, it is important to note that the technical is not yet corrective at this point.

### Q2 26

#### Technical outlook: Cautious bull—negative divergence in play.

The upside move to a new high means that the futures are in divergence with momentum, not a sell signal it is a warning that we could see a momentum slowdown. We identify USD 28,846 as the key near-term support to follow, corrective moves that hold above this level will signal that there is an underlying support in the market. A sustained move below USD 28,846 will reduce the probability of price trading to a new high. The divergences need to be monitored, as they warrant caution on higher moves at this point.

### Cal 27

#### Technical Outlook: Bullish—Resistance remains vulnerable

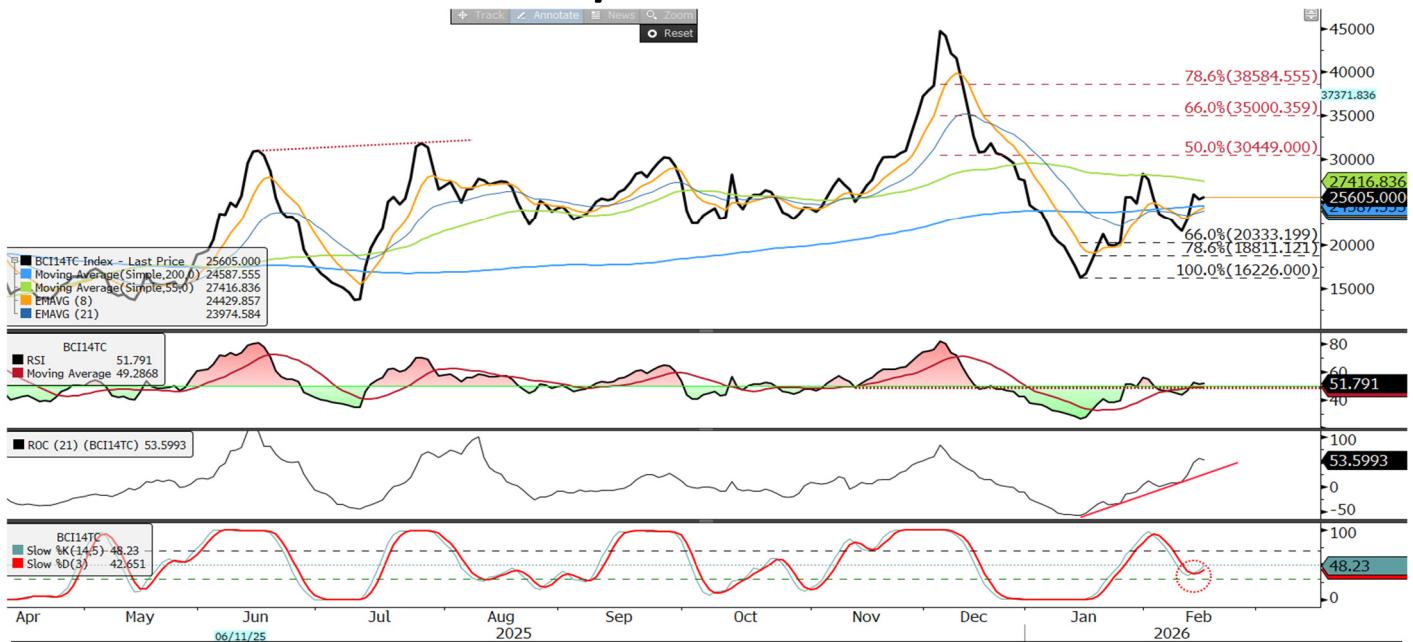
Momentum is conflicting on the technical, as the RSI moving average implies it is weak. However, the RSI low on the 12/02 has not been replicated by price, warning that there is underlying support in the market, leaving the USD 26,700 fractal resistance vulnerable. A move above USD 26,700 will create a negative divergence with the RSI, implying caution on upside breakouts to a new high.

### C5 March 26

#### Technical outlook: Cautious bull—Negative divergence in play

Like the rest of the freight complex the upside move to a new high means that price is in divergence with the RSI; not a sell signal, it is a warning that we could see a momentum slowdown, which needs to be monitored. Countering this, the MA on the RSI implies that momentum remains supported at this point. Market, buyers should be cautious if the RSI sees a sustained close below the its average, as it will warn that buyside momentum has softened. We identify USD 10.10 as the key support to monitor, a move below this level would be considered as deep into the last bull wave, warning the probability of price trading to a new high will begin to decrease.

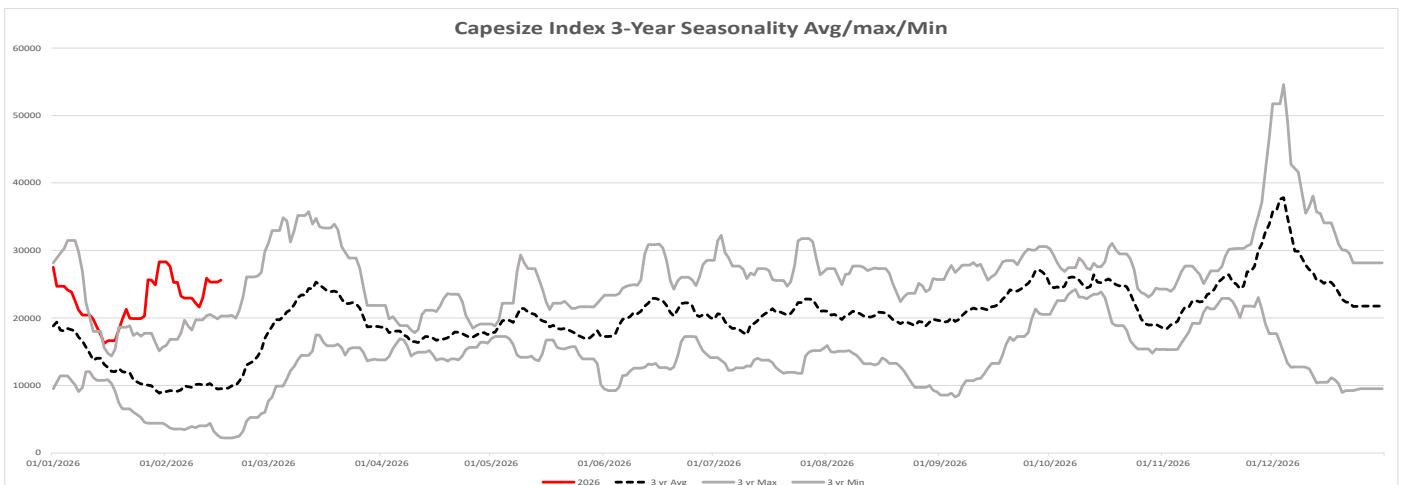
# Capesize Index



| Support | Resistance | Current Price | Bull   | Bear         |
|---------|------------|---------------|--------|--------------|
| S1      | 24,587     | R1            | 28,306 |              |
| S2      | 21,625     | R2            | 30,449 |              |
| S3      | 20,333     | R3            | 35,000 | RSI above 50 |

## Synopsis

- Price is above the 8-21 period EMA's
- RSI is above 50 (51)
- Stochastic is below 50
- Price is above the weekly pivot point (USD 24,288)
- Technical outlook last week: Weakening but above key support. The index was below the 200-period MA and the weekly pivot level at USD 24,522, warning the USD 20,333 Fibonacci support was 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 held above this level would warn that there was 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 was showing signs of momentum weakness, warning support is vulnerable.
- The index held above key support last week at USD 20,333 resulting in price moving higher and closing above the weekly pivot level and the 200-period MA at USD 23,974. Price is above the 8-21 period EMA's with the RSI near neutral at 51.
- Momentum based on price is aligned to the buyside, a close above USD 25,033 would mean it is aligned to the sell side. 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: Momentum support, resistance vulnerable
- The corrective move lower last week held above the USD 20,333 level, indicating there was an underlying support in the market. The RSI has reclaimed the 50 level, while the 21 period ROC has held trend support (middle window, Rate Of Change); finally, the stochastic pullback failed to enter oversold territory. Momentum is showing signs of support, warning the USD 28,306 fractal resistance could be tested and broken in the near-term. We also see price above the 200-period MA at USD 24,587 and the weekly pivot level at USD 24,288, while above this support zone, resistance is considered as vulnerable. However, a close below USD 24,288 will signal an increase in sell-side pressure. Based on momentum and price, the technical is warning we could move higher in the near-term.



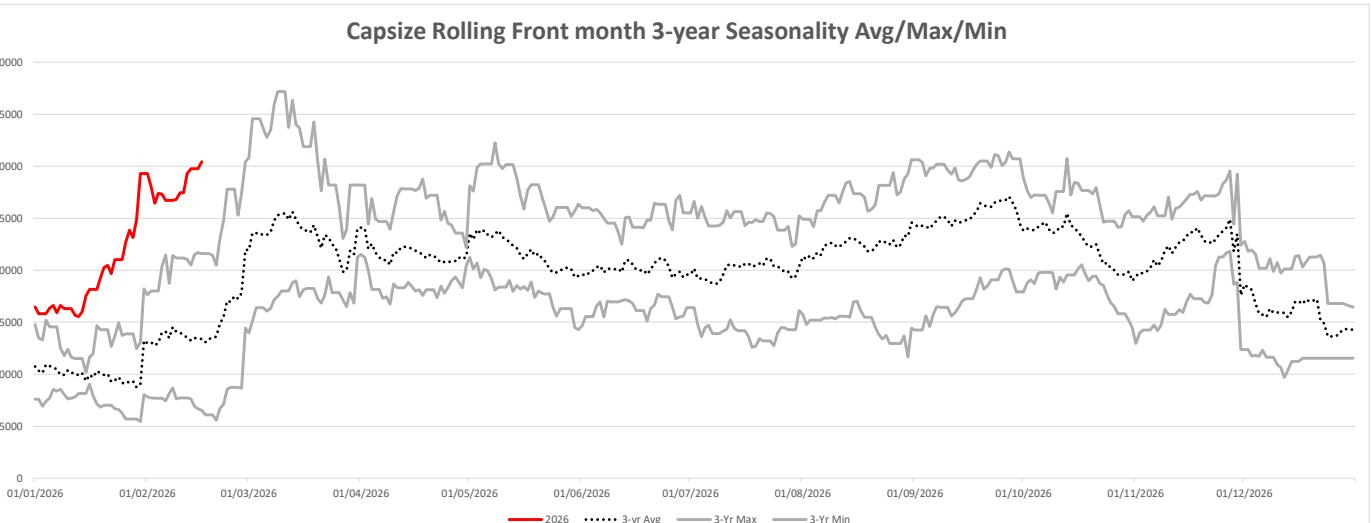
## Capesize March 26



| Support | Resistance | Current Price | Bull   | Bear                  |
|---------|------------|---------------|--------|-----------------------|
| S1      | 28,845     | R1            | 31,381 |                       |
| S2      | 27,551     | R2            | 33,079 |                       |
| S3      | 25,885     | R3            | 34,777 | Stochastic overbought |

## Synopsis

- Price is above the 8-21 period EMA's
- RSI is above 50 (67)
- Stochastic is overbought
- Technical outlook last week: Bullish- Countertrend corrective phase. The futures had entered a consolidation phase with the RSI moving average implying we had momentum support. However, the RSI was testing its MA, meaning momentum was at an inflection point. If the RSI crossed its average with the stochastic moving below 70, it would signal that momentum was weakening, warning support levels could come under pressure. Our Elliott wave analysis continued 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 would be considered as deep into the last bull wave, at this point, the probability of price trading to a new high would be reduced. Momentum would need to hold MA support, alongside bullish price action, to signal resistance was vulnerable.
- The RSI held above MA support which was coupled with bullish price action, resulting in price trading to a new high. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 27,551 will support a bull argument, below this level the technical will have a neutral bias.
- Technical Outlook: Cautious Bull—Negative divergence
- The upside move to a new high has resulted in a negative divergence with both the RSI and the stochastic, not a sell signal it is a warning that we could see a momentum slowdown, which needs to be monitored. However, price is the lead indicator and remains above the trend support line at USD 28,845, indicating we remain in a bullish trending environment. The divergence is a warning, a sustained close below the support line will be confirmation that price is entering a corrective phase. Downside moves that hold at or above USD 27,551 will warn that there remains an underlying support in the market; if broken, it will weaken the technical further, warning that the probability of price trading to a new high will be reduced. Conversely, if we stay elevated at these levels, or see a sustained move higher, it will point to a bullish Elliott wave extension. Momentum currently suggests caution on higher moves, it is important to note that the technical is not yet corrective at this point.



## Capesize Q2 26

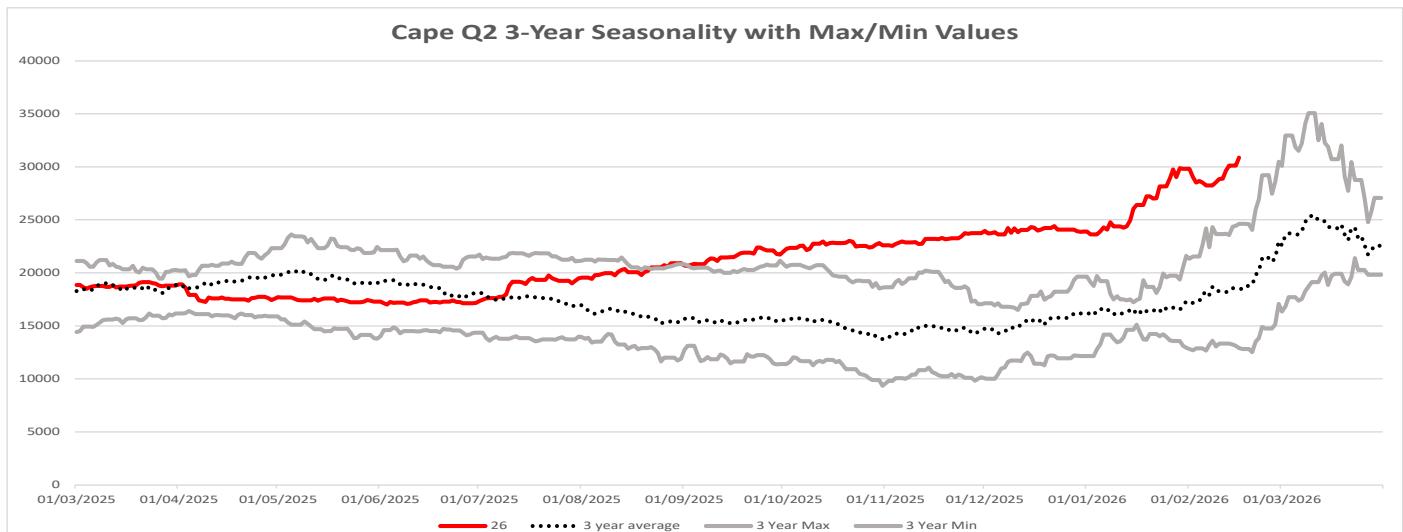


| Support | Resistance | Current Price | Bull   | Bear |
|---------|------------|---------------|--------|------|
| S1      | 29,743     | R1            | 31,300 |      |
| S2      | 28,846     | R2            | 32,462 |      |
| S3      | 27,750     | R3            | 33,625 |      |

**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: Countertrend corrective phase. The Moving average on the RSI continued to suggest that we have light momentum weakness last week; however, the stochastic was moving lower while the RSI held below 50. Momentum is showing signs of weakness, but this was not validated by price, implying caution on corrective moves lower. Our Elliott wave analysis continued to suggest downside moves should be considered as countertrend, making USD 24,839 the key support to follow. Corrective moves that broke the USD 24,839 would take the technical into a neutral phase. Based on momentum and wave analysis, we continue to be cautious on lower moves.
- The move lower failed to hold last week, resulting in price trading to new highs. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 28,846 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Cautious bull—negative divergence in play.
- The upside move to a new high means that the futures are in divergence with momentum, not a sell signal it is a warning that we could see a momentum slowdown. We identify USD 28,846 as the key near-term support to follow, corrective moves that hold above this level will signal that there is an underlying support in the market. A sustained move below USD 28,846 will reduce the probability of price trading to a new high. The divergences need to be monitored, as they warrant caution on higher moves at this point.



## Capesize Cal 27

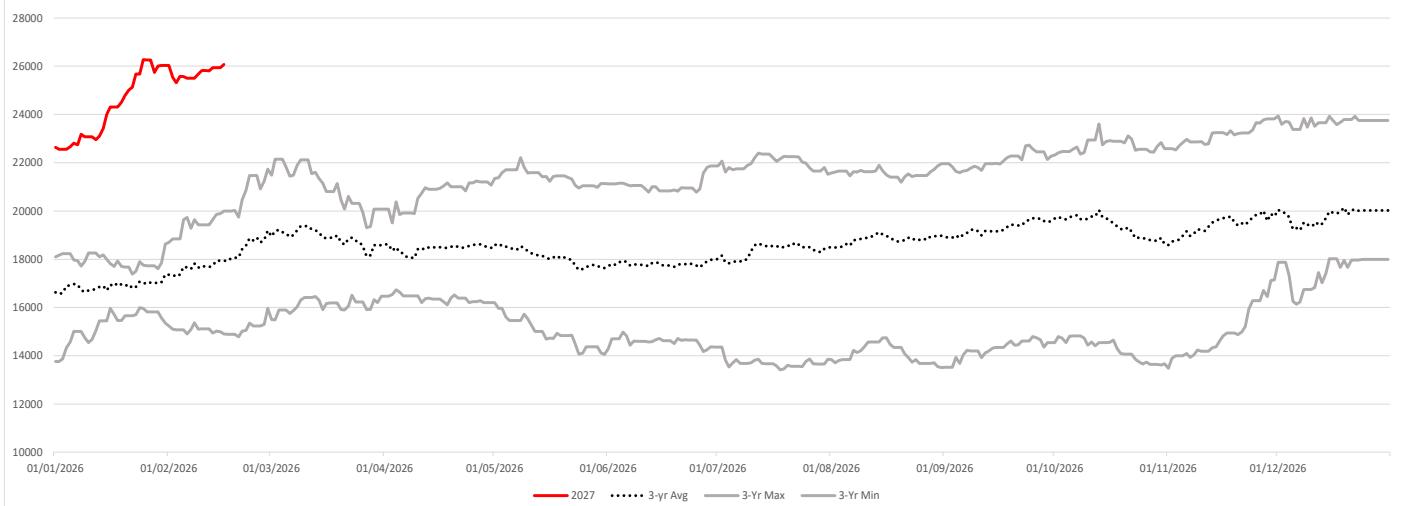
Track Annotate News Zoom Reset

**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. The RSI held momentum support (highlighted on the chart previously), resulting in a small move higher; however, the RSI moving average continues to warn of momentum weakness. Elliott wave analysis continued 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.
- The futures are moving higher having held the Fibonacci support zone. We are above all key moving averages supported by 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—Resistance remains vulnerable
- Momentum is conflicting on the technical, as the RSI moving average implies it is weak. However, the RSI low on the 12/02 has not been replicated by price, warning that there is underlying support in the market, leaving the USD 26,700 fractal resistance vulnerable. A move above USD 26,700 will create a negative divergence with the RSI, implying caution on upside breakouts to a new high.

## Cape Calendar 3-year Seasonality Avg/Max/Min



## **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 (69)
- Stochastic is overbought
- Technical outlook last week: Bullish—Countertrend correction. Unchanged on the technical last week. The ADX at 56 indicated that we remained in a bullish trending environment while the RSI moving average implied that we had momentum support, suggesting downside moves should be considered as countertrend while above the USD 8.85 level. If the RSI moved below its MA it would imply that momentum was weakening, warning the Fibonacci support zone could come under pressure in the near-term.
- The futures have traded to a new high. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 10.10 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Cautious bull—Negative divergence in play
- Like the rest of the freight complex the upside move to a new high means that price is in divergence with the RSI; not a sell signal, it is a warning that we could see a momentum slowdown, which needs to be monitored. Countering this, the MA on the RSI implies that momentum remains supported at this point. Market, buyers should be cautious if the RSI sees a sustained close below its average, as it will warn that buyside momentum has softened. We identify USD 10.10 as the key support to monitor, a move below this level would be considered as deep into the last bull wave, warning the probability of price trading to a new high will begin to decrease.

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