



# Capesize Technical Report

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Technical outlook: Momentum turning neutral

Technically, price is above the 200-period MA at USD 24,789 with the RSI still above 50. However, the move lower last week resulted in the ROC breaking its support line, while above the USD 25,893 fractal resistance we have a potential ROC divergence, warning buy-side momentum could slow down. Near-term resistance is vulnerable as price is above the 200-period MA, the divergence suggests caution on upside breakouts.

## Mar 26

Technical Outlook: Cautious Bull—Negative divergence

The upside move to a new high has created another negative divergence with the RSI, not a sell signal it is a warning that we could see a momentum slowdown, this needs to be monitored. Although price has made a new high, the futures remain below the trend support line at USD 31,402, this has the potential to now act as resistance. The ROC is now testing its support line, if broken, it will signal that momentum is weakening, which alongside the divergence in play would suggest increased caution is needed on higher moves at these levels.

## Q2 26

Technical outlook: Cautious bull—negative divergence in play.

The futures continue to move higher with price in divergence with the RSI, this needs to be monitored, as it warns that buy-side momentum could slow. A close below the low of the last dominant bull candle at USD 31,050 will indicate that sell-side pressure is increasing, warning support levels could come under pressure. Key support to follow is at USD 29,450; if broken, then the probability of the futures trading to a new high within this phase of the cycle will begin to decrease. Higher timeframe Elliott wave remains bullish above USD 25,655 and neutral below.

## Cal 27

Technical Outlook : Bullish—caution on higher moves

Technically, we have not traded above the USD 26,700 fractal high; however, the close on Friday at USD 26,450 was a new high close, meaning price can be considered as being divergent, suggesting caution on higher moves. A close below the low of the last dominant bull candle at USD 26,150 will indicate sell side pressure is increasing, warning support levels could come under pressure. However, the broader trend remains bullish based on our Elliott wave analysis, meaning downside moves should still be considered as countertrend.

## C5 March 26

Technical outlook: Cautious bull—Negative divergence in play

Unchanged on the technical this week, the futures remain bullish but 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. As highlighted previously, a sustained move by the RSI below its average would warn that sell-side pressure was increasing, suggesting the futures could be about to enter a corrective phase.

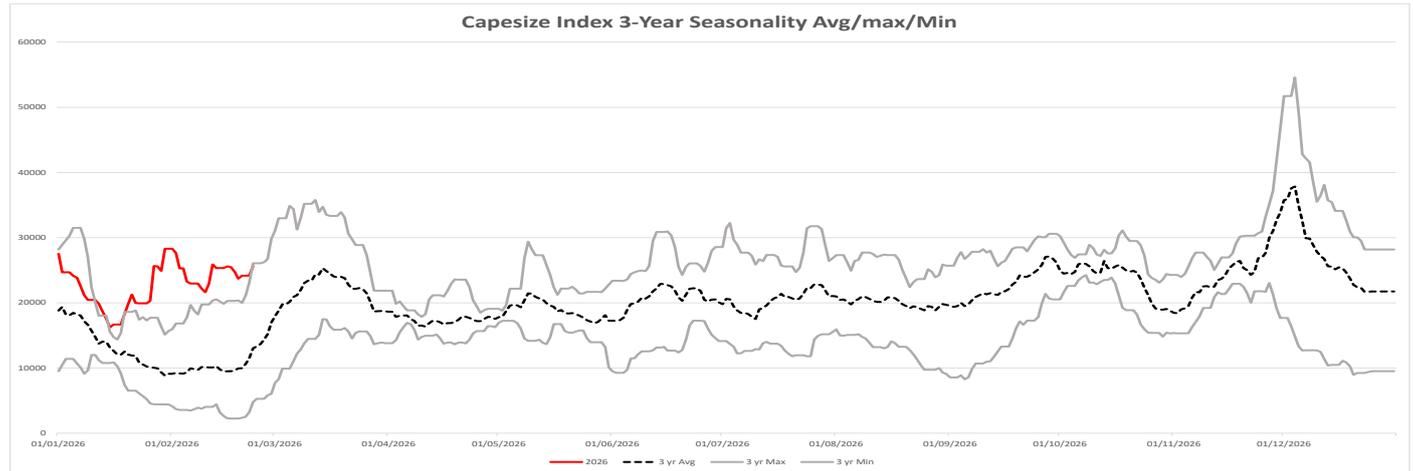
# Capesize Index



	Support	Resistance	Current Price	Bull	Bear
S1	24,789	R1	25,893	RSI above 50	
S2	21,625	R2	28,306		
S3	20,333	R3	30,449		

**Synopsis** Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (51)
- Stochastic is above 50
- Price is above the weekly pivot point (USD 24,496)
- Technical outlook last week: Momentum support, resistance vulnerable
- The corrective move lower previously had held above the USD 20,333 level, indicating there was an underlying support in the market. The RSI had reclaimed the 50 level, while the 21 period ROC had held trend support (middle window, Rate Of Change); finally, the stochastic pullback failed to enter oversold territory. Momentum was showing signs of support, warning the USD 28,306 fractal resistance could be tested and broken in the near-term. We also saw 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 was considered as vulnerable. However, a close below USD 24,288 would signal an increase in sell-side pressure. Based on momentum and price, the technical is warning we could move higher in the near-term.
- The index traded to a low of USD 23,713; however, the move lower has failed to hold. We are above the 8-21 period EMA's with the RSI near-neutral at 51.
- Momentum based on price is aligned to the buy-side, a close above USD 24,519 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 turning neutral
- Technically, price is above the 200-period MA at USD 24,789 with the RSI still above 50. However, the move lower last week resulted in the ROC breaking its support line, while above the USD 25,893 fractal resistance we have a potential ROC divergence, warning buy-side momentum could slow down. Near-term resistance is vulnerable as price is above the 200-period MA, the divergence suggests caution on upside breakouts.



# Capesize March 26

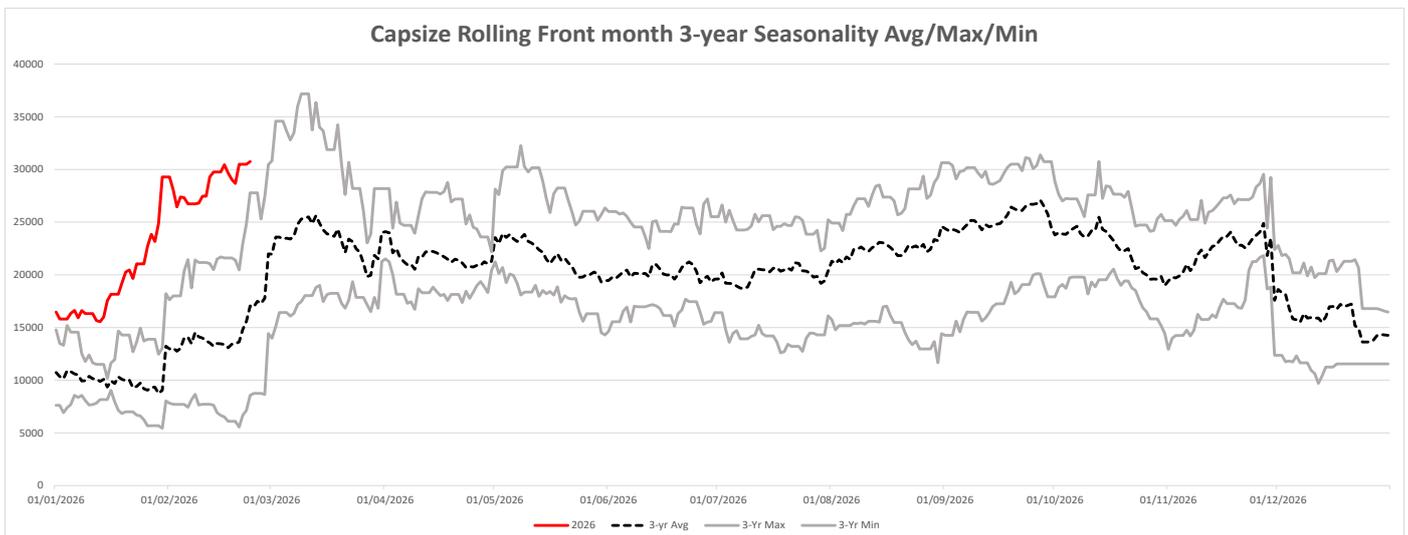


	Support	Resistance	Current Price	Bull	Bear
S1	29,200	R1	31,381	RSI above 50	Stochastic overbought
S2	27,709	R2	33,079		
S3	25,885	R3	34,777		

## Synopsis

- Price is above the 8-21 period EMA's
- RSI is above 50 (65)
- Stochastic is overbought
- Technical Outlook: Cautious Bull—Negative divergence
- The upside move to a new high previously resulted in a negative divergence with both the RSI and the stochastic, not a sell signal it warned that we could see a momentum slowdown, which needed to be monitored. However, price was the lead indicator and remained above the trend support line at USD 28,845, indicating we remained in a bullish trending environment. The divergence was a warning, a sustained close below the support line would be confirmation that price had entered a corrective phase. Downside moves that held at or above USD 27,551 would warn that there remained an underlying support in the market; if broken, it would weaken the technical further, warning that the probability of price trading to a new high would be reduced. Conversely, if we stayed elevated at those levels, or saw a sustained move higher, it would point to a bullish Elliott wave extension. Momentum suggested caution on higher moves, it was important to note that the technical is not yet corrective at that point.
- The futures did produce a close below the trend support line, we have traded to a new high but remain below the trend line. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 27,709 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 created another negative divergence with the RSI, not a sell signal it is a warning that we could see a momentum slowdown, this needs to be monitored. Although price has made a new high, the futures remain below the trend support line at USD 31,402, this has the potential to now act as resistance. The ROC is now testing its support line, if broken, it will signal that momentum is weakening, which alongside the divergence in play would suggest increased caution is needed on higher moves at these levels.

Source Bloomberg



# Capesize Q2 26

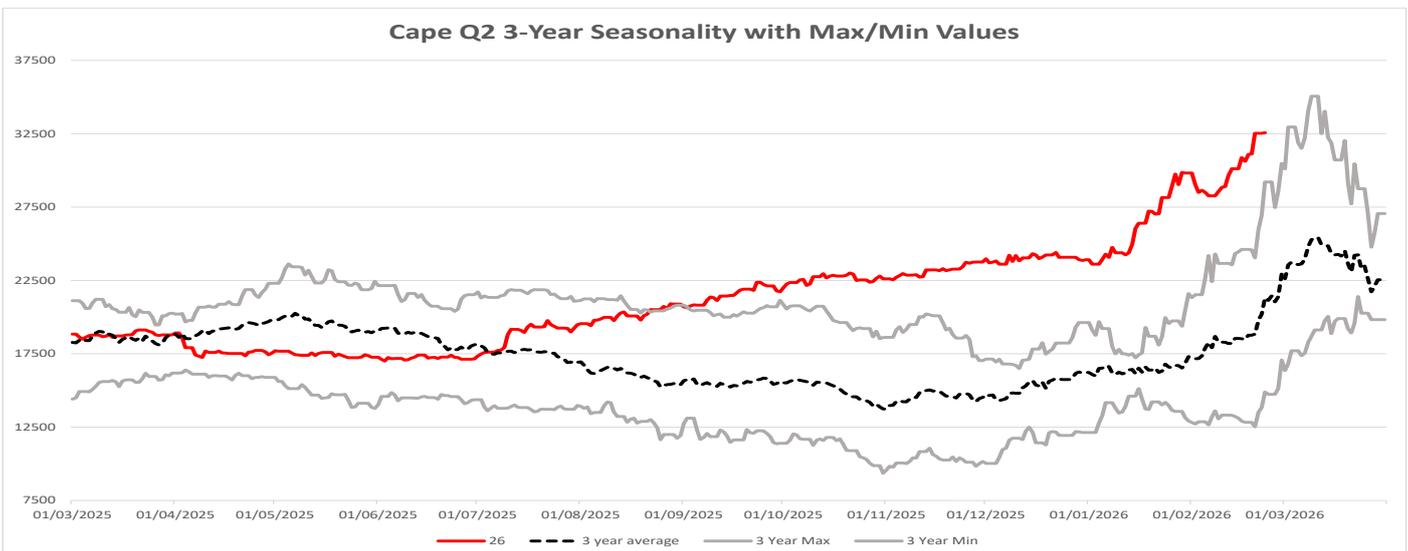


	Support	Resistance	Current Price	Bull	Bear
S1	30,840	R1	33,373	RSI above 50	Stochastic overbought
S2	29,450	R2	34,902		
S3	27,750	R3	36,850		

## Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (71)
- Stochastic is overbought
- Technical outlook last week: Cautious bull—negative divergence in play.
- The upside move to a new high last week meant that the futures were in divergence with momentum, not a sell signal it warned that we could see a momentum slowdown. We identified USD 28,846 as the key near-term support to follow, corrective moves that held above this level would signal that there was an underlying support in the market. A sustained move below USD 28,846 would reduce the probability of price trading to a new high. The divergences need to be monitored, as they warranted caution on higher moves at that point.
- Despite being in divergence the futures have continued to move higher, we remain above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 29,450 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Cautious bull—negative divergence in play.
- The futures continue to move higher with price in divergence with the RSI, this needs to be monitored, as it warns that buy-side momentum could slow. A close below the low of the last dominant bull candle at USD 31,050 will indicate that sell-side pressure is increasing, warning support levels could come under pressure. Key support to follow is at USD 29,450; if broken, then the probability of the futures trading to a new high within this phase of the cycle will begin to decrease. Higher timeframe Elliott wave remains bullish above USD 25,655 and neutral below.



# Capesize Cal 27

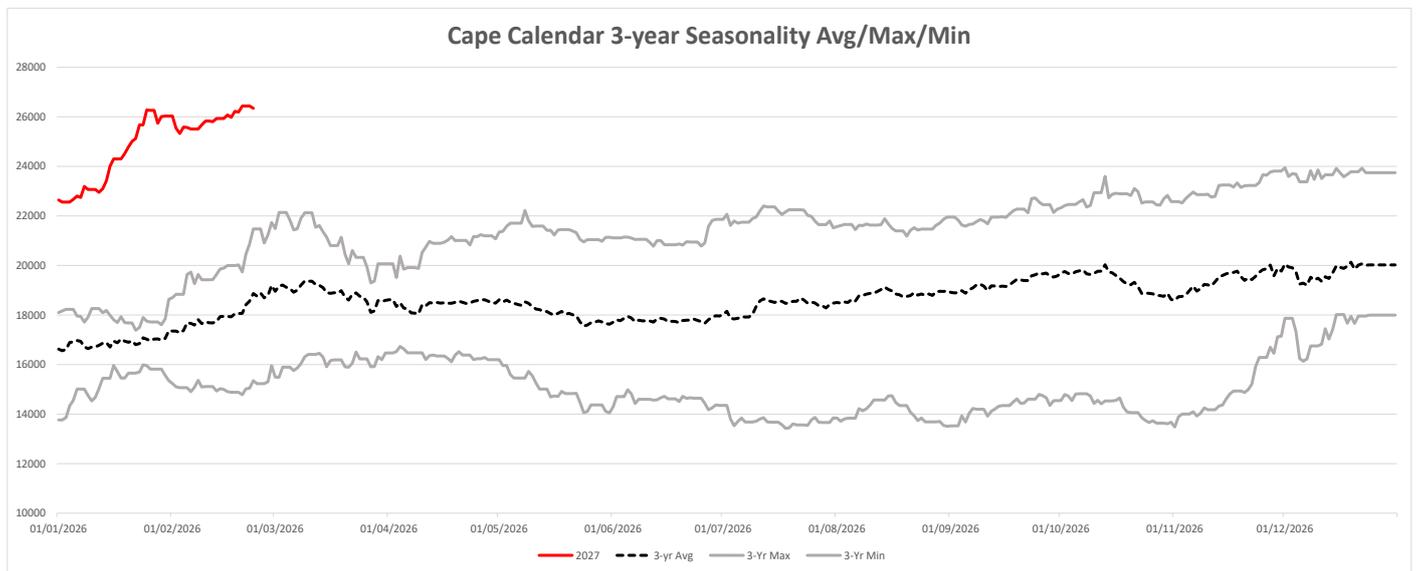


Support		Resistance		Current Price	Bull	Bear
S1	25,076	R1	26,500	26,350	RSI above 50	Stochastic overbought
S2	24,575	R2	26,700			
S3	23,895	R3	27,444			

### Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (66)
- Stochastic is overbought
- Technical Outlook last week: Bullish—Resistance remains vulnerable
- Momentum was conflicting on the technical last week, as the RSI moving average implied that it was weak. However, we noted that the RSI low on the 12/02 had not been replicated by price, warning that there was underlying support in the market, leaving the USD 26,700 fractal resistance vulnerable. A move above USD 26,700 would create a negative divergence with the RSI, implying caution on upside breakouts to a new high.
- The futures traded to a high of USD 26,500 before seeing bids fade today. We remain 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—caution on higher moves
- Technically, we have not traded above the USD 26,700 fractal high; however, the close on Friday at USD 26,450 was a new high close, meaning price can be considered as being divergent, suggesting caution on higher moves. A close below the low of the last dominant bull candle at USD 26,150 will indicate sell side pressure is increasing, warning support levels could come under pressure. However, the broader trend remains bullish based on our Elliott wave analysis, meaning downside moves should still be considered as countertrend.



# Capesize C5 March 26 (Heikin Ashi Chart)



Support	Resistance	Current Price	Bull	Bear
S1	R1	11.20	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

## 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: Cautious bull—Negative divergence in play
- Like the rest of the freight complex the upside move to a new high meant that price was in divergence with the RSI; not a sell signal, it warned that we could see a momentum slowdown, which needed to be monitored. Countering this, the MA on the RSI implied that momentum remained supported at that point. We noted that market, buyers should be cautious if the RSI saw a sustained close below its average, as it would warn that buy-side momentum had softened. We identified 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 would begin to decrease.
- 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 10.19 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Cautious bull—Negative divergence in play
- Unchanged on the technical this week, the futures remain bullish but 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. As highlighted previously, a sustained move by the RSI below its average would warn that sell-side pressure was increasing, suggesting the futures could be about to enter a corrective phase.

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