



Capesize Technical Report

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Index

Technical outlook: Neutral

The index has formed a symmetrical triangle, a neutral pattern due to the ascending and descending trend lines. Near-term directional bias should come from a close that holds outside of the pattern (USD 24,186—USD 25,478). Both the RSI and 10-period ROC are moving sideways, supporting neutrality.

April 26

Technical Outlook: Momentum support despite the divergence.

The gap higher on the roll into April has resulted in price trading to new highs, meaning we are back in divergence. Countering this, the roll has resulted in the 10-period ROC moving above its resistance line, while the RSI has broken its closest resistance, indicating we are seeing an increase in buy-side pressure. The resistance break in the RSI is warning that intraday downside moves have the potential to be countertrend, meaning we are cautious on downside moves in the near-term.

Q2 26

Technical outlook: Cautious bull—negative divergence in play.

Unchanged on the technical again this week, the futures remain in a bullish trending environment supported by the RSI above 50. Both the daily and intraday timeframes remain in divergence with the RSI, not a sell signal, it is a warning that buy-side momentum could slow, which will need to be monitored. Technically, corrective moves that hold at or above USD 29,577 will imply there remains an underlying support in the market; however, we have fractal support at USD 31,325. Market buyer's should act with caution below this level, as it will indicate sell-side pressure is increasing, leaving the USD 29,577 support vulnerable.

Cal 27

Technical Outlook : divergent above 26,700

The upside move on the positive reversal with the RSI is warning that the USD 26,700 fractal resistance could be tested and broken. However, a new high will create a negative divergence with the RSI; not a sell signal, it is a warning that we could see a momentum slowdown, which will need to be monitored. With the divergence us, we have a cautious approach to upside breakouts.

C5 April 26

Technical outlook: Cautious bull—Negative divergence in play

Having initially sold to a low of USD 10.84 on the negative divergence, the futures found bid support on the 27/02, resulting in price trading to a new high. The upside move means that we are back in divergence with the RSI, meaning we continue to be cautious on higher moves at these levels. A close below the USD 10.84 fractal support will warn that sell-side pressure is increasing, leaving the Fibonacci support zone vulnerable.

Capesize Index

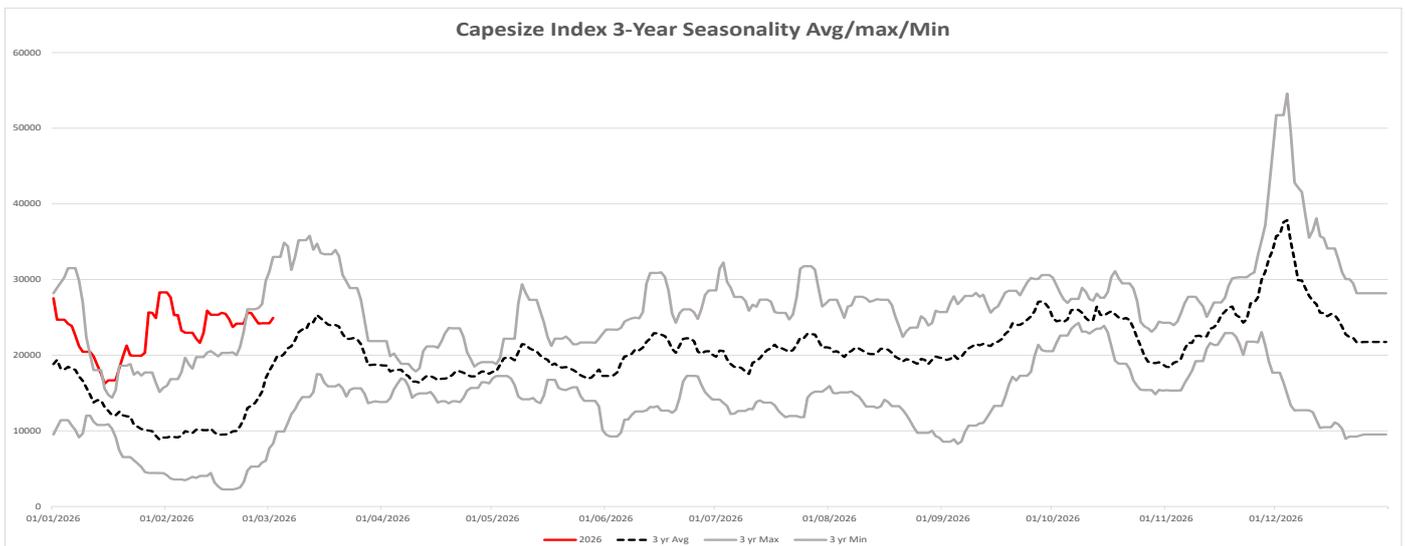


	Support	Resistance	Current Price	Bull	Bear
S1	24,186	R1	25,054	RSI above 50	Stochastic overbought
S2	21,625	R2	25,478		
S3	20,333	R3	28,306		

Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (52)
- Stochastic is overbought
- Price is above the weekly pivot point (USD 24,662)
- Technical outlook last week: Momentum turning neutral
- We noted last week that price was above the 200-period MA at USD 24,789 with the RSI still above 50. However, the move lower previously had resulted in the ROC breaking its support line, while above the USD 25,893 fractal resistance we had a potential ROC divergence, warning buyside momentum could slow down. Near-term resistance was vulnerable as price is above the 200-period MA, the divergence suggested caution on upside breakouts.
- The futures have entered a consolidation pattern in the form of a symmetrical triangle. Price is above the 8-21 period EMA's with the RSI above 50.
- Momentum based on price is aligned to the buyside, 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: Neutral
- The index has formed a symmetrical triangle, a neutral pattern due to the ascending and descending trend lines. Near-term directional bias should come from a close that holds outside of the pattern (USD 24,186—USD 25,478). Both the RSI and 10-period ROC are moving sideways, supporting neutrality.



Capesize April 26

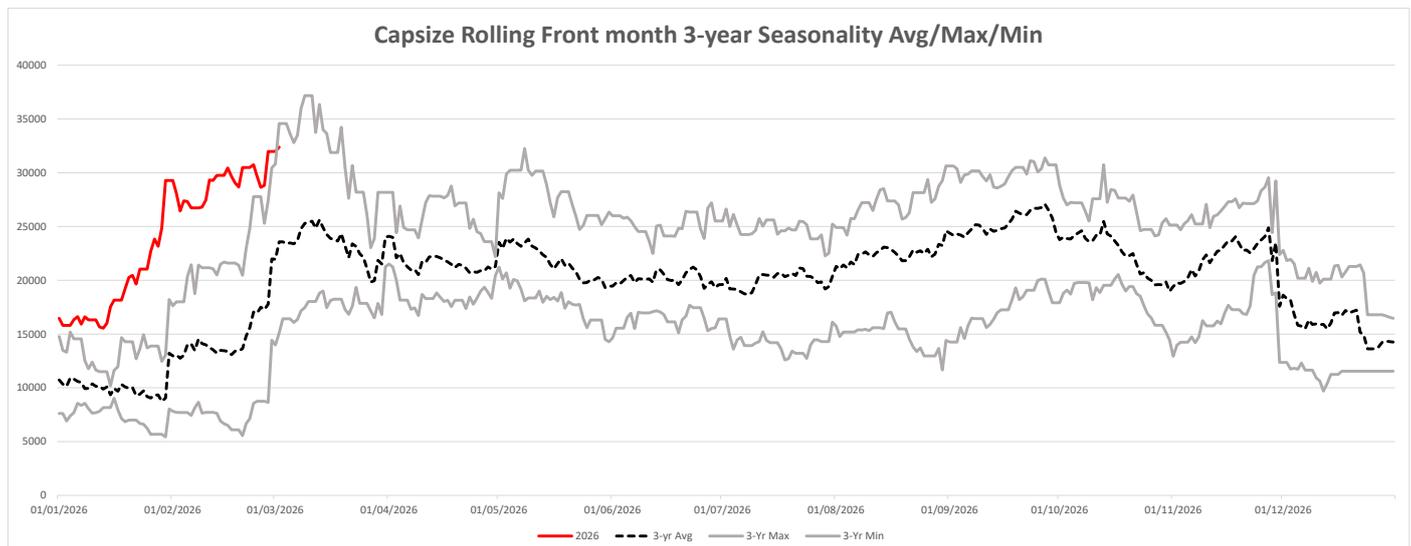


	Support	Resistance	Current Price	Bull	Bear
S1	30,181	R1	32,375	RSI above 50	
S2	28,284	R2			
S3	25,885	R3			

Synopsis

- Price is above the 8-21 period EMA's
- RSI is above 50 (69)
- Stochastic is above 50
- Technical Outlook last week: Cautious Bull—Negative divergence
- The upside move to a new high previously had created another negative divergence with the RSI, not a sell signal it warned that we could see a momentum slowdown, this needed to be monitored. Although price had made a new high, the futures remained below the trend support line at USD 31,402, this had the potential to act as resistance. The ROC is now testing its support line, if broken, it would signal that momentum was weakening, which alongside the divergence in play would suggest increased caution was needed on higher moves at those levels.
- The futures traded to a low of USD 28,125; however, the roll into April has resulted in price gapping higher, meaning we have traded at new highs. We are above all key moving averages with the RSI above 50.
- Downside moves that hold at or above USD 28,248 will support a bull argument, below this level the technical will have a neutral bias.
- Technical Outlook: Momentum support despite the divergence.
- The gap higher on the roll into April has resulted in price trading to new highs, meaning we are back in divergence. Countering this, the roll has resulted in the 10-period ROC moving above its resistance line, while the RSI has broken its closest resistance, indicating we are seeing an increase in buyside pressure. The resistance break in the RSI is warning that intraday downside moves have the potential to be countertrend, meaning we are cautious on downside moves in the near-term.

Source Bloomberg



Capesize Q2 26

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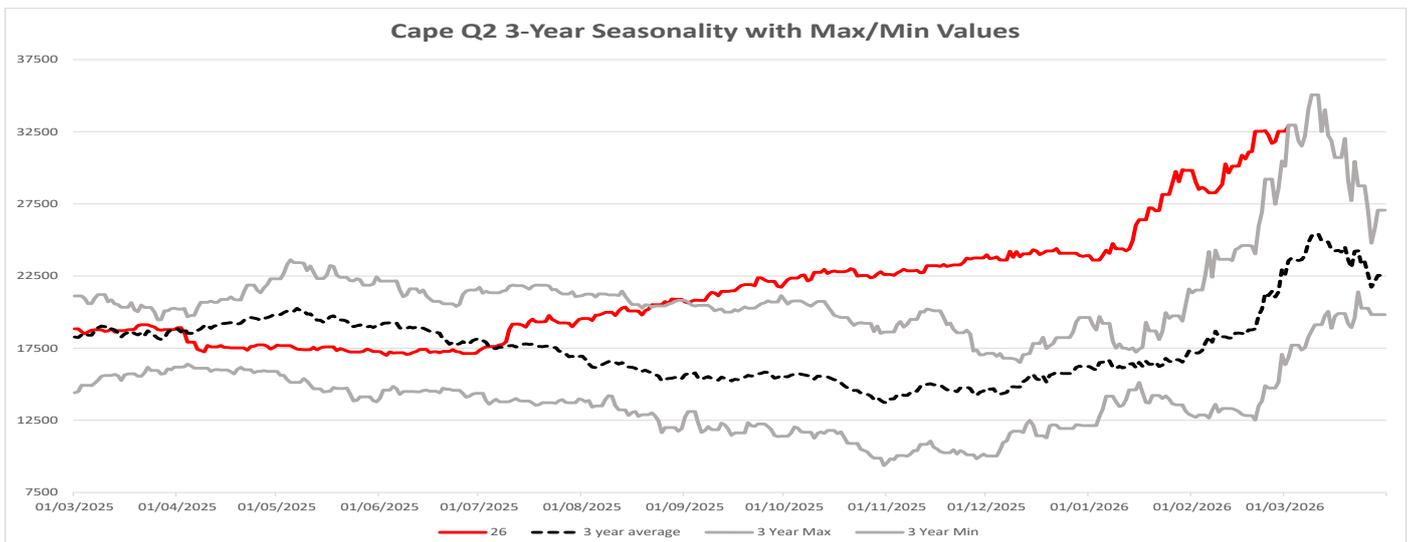


	Support	Resistance	Current Price	Bull	Bear	
S1	31,071	R1	32,875	RSI above 50	Stochastic overbought	
S2	29,577	R2				33,373
S3	27,750	R3				34,902

Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (70)
- Stochastic is overbought
- Technical outlook last week: Cautious bull—negative divergence in play.
- The futures continued to move higher with price in divergence with the RSI, this needed to be monitored as it warned that buy-side momentum could slow. A close below the low of the last dominant bull candle at USD 31,050 would indicate that sell-side pressure was 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 would begin to decrease. The higher timeframe Elliott wave cycle remained bullish above USD 25,655 and neutral below.
- Having seen a small pullback to USD 31,325 the futures have once again seen light bid support, taking price to new highs. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 29,577 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 again this week, the futures remain in a bullish trending environment supported by the RSI above 50. Both the daily and intraday timeframes remain in divergence with the RSI, not a sell signal, it is a warning that buy-side momentum could slow, which will need to be monitored. Technically, corrective moves that hold at or above USD 29,577 will imply there remains an underlying support in the market; however, we have fractal support at USD 31,325. market buyer's should act with caution below this level, as it will indicate sell-side pressure is increasing, leaving the USD 29,577 support vulnerable.



Capesize Cal 27

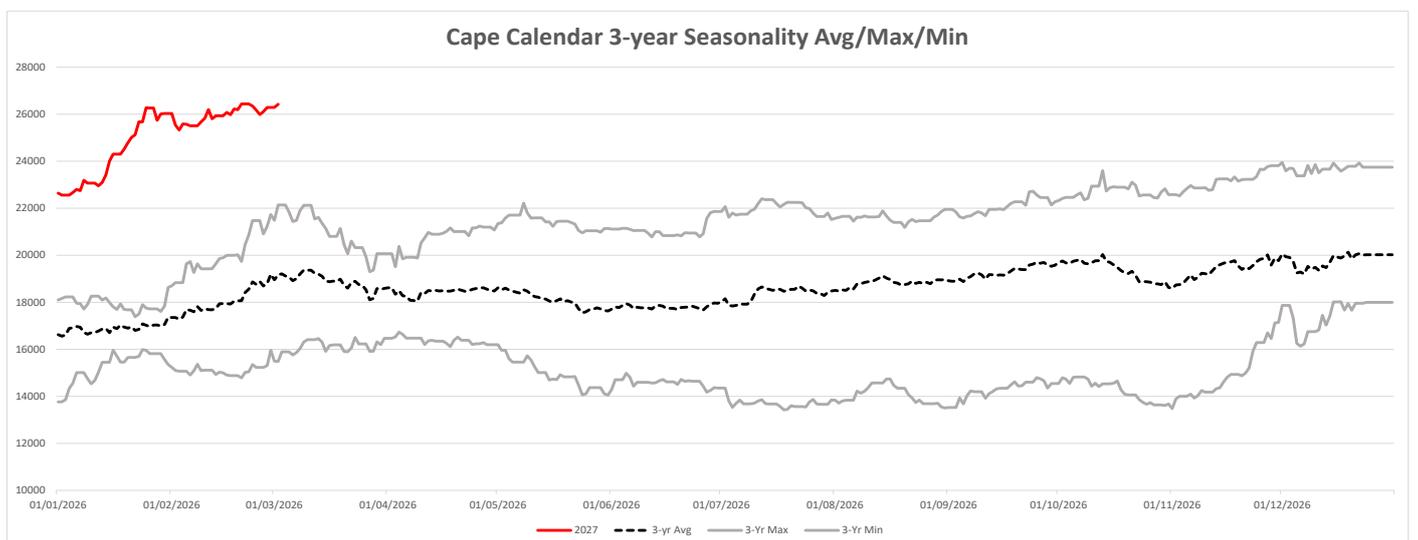


	Support	Resistance	Current Price	Bull	Bear
S1	25,076	R1	26,982	RSI above 50	Stochastic overbought
S2	24,575	R2	27,587		
S3	23,895	R3	28,192		

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—caution on higher moves
- We noted last night that we had not traded above the USD 26,700 fractal high; however, the close at USD 26,450 was a new high close, meaning price could 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 would indicate sell side pressure was 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.
- The futures traded to a low of USD 25,900 with price closing at a low of USD 26,000; however, the pullback produced a positive reversal with the RSI, resulting in the futures finding bid support. 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 : divergent above 26,700
- The upside move on the positive reversal with the RSI is warning that the USD 26,700 fractal resistance could be tested and broken. However, a new high will create a negative divergence with the RSI; not a sell signal, it is a warning that we could see a momentum slowdown, which will need to be monitored. With the divergence us, we have a cautious approach to upside breakouts.



Capesize C5 April 26 (Heikin Ashi Chart)



Support	Resistance	Current Price	Bull	Bear
S1	R1	11.25	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 (67)
- Stochastic is overbought
- Technical outlook last week: Cautious bull—Negative divergence in play
- Unchanged on the technical last week, the futures remained bullish but in divergence with the RSI. Not a sell signal, it warned that we could see a momentum slowdown which needed 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.
- The futures traded to a new high on Friday with price seeing further bid support today. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 10.23 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Cautious bull—Negative divergence in play
- Having initially sold to a low of USD 10.84 on the negative divergence, the futures found bid support on the 27/02, resulting in price trading to a new high. The upside move means that we are back in divergence with the RSI, meaning we continue to be cautious on higher moves at these levels. A close below the USD 10.84 fractal support will warn that sell-side pressure is increasing, leaving the Fibonacci support zone vulnerable.

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