



Capesize Technical Report

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Index

The downside move in the index failed to hold with the RSI producing a minor positive divergence with the RSI. The index is now approaching the USD 23,637 resistance with the RSI now above its average; if the USD 23,637 resistance is broken, then the probability of price trading to a new low will begin to decrease. We are seeing signs of momentum support, suggesting key near-term resistance is vulnerable; if broken, it will confirm the we are seeing an increase in buy-side pressure.

April 26

USD 29,680 is the key resistance to follow on the technical. In theory, upside moves should be countertrend; however, as noted in the morning report last week, focus should be on momentum rather than the psychological footprint of the market, due the situation in the Middle - East. This is where the technical is conflicting, intraday momentum is supported; daily momentum warns of weakness while the RSI is below its moving average. USD 29,680 is a key level, if rejected, supported by weakening intraday momentum, then support could come back under pressure. Conversely, if the daily RSI moves above its MA with price breaching the USD 29,680 resistance, then the probability of the futures trading to a new low will begin to decrease.

Q2 26

This will be the same story across the freight complex, bullish or bearish, directional bias will be related to the continued closure of the straight, and any effect on the bunkers. We will be giving, as always, a non-biased view of the technical; however, we cannot emphasize the importance of the 'whole picture' at this point. Technically, we are bearish with upside moves considered as countertrend, making USD 30,437 the key resistance to follow. A move above this level would reduce the probability of the futures trading to a new low. The broader technical (higher timeframe Elliott wave cycle) remains bullish above USD 22,508, and neutral below. The RSI moving average implies that momentum remains weak; however, if the RSI starts to close above its average, it will signal that buy-side momentum pressure is increasing.

Cal 27

The upside move in early March failed to trade above the Jan-26 high, meaning we are on the third leg of the corrective phase. The three black soldiers candle pattern (red in this case), indicate momentum weakness, making USD 25,351 the key resistance to follow. Above USD 25,351 the probability of price trading to a new low will begin to decrease, couple with this already being the third wave in the correction, it would suggest the USD 26,700 fractal high was vulnerable. Conversely, if rejected it would signal that support remains vulnerable. Although USD 25,351 is the key level to follow, USD 25,025 was the last fractal support. Market bulls should be cautious if this level is rejected, as it would confirm a change of polarity to the sell side.

C5 April 26

Unchanged on the technical this week. The futures remain supported 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. Purely technical, price is unlikely to see a significant pullback while the straight is closed, suggesting the divergence could fail.

Capesize Index

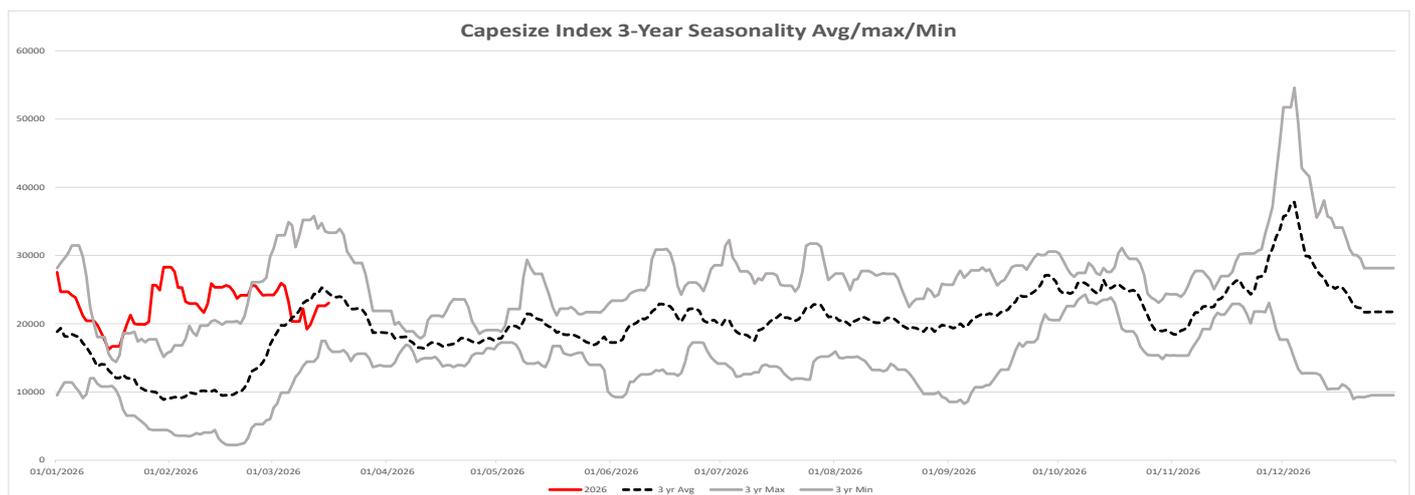


	Support	Resistance	Current Price	Bull	Bear
S1	20,333	R1	23,637	Stochastic oversold	RSI below 50
S2	18,811	R2	25,929		
S3	16,226	R3	30,449		

Synopsis

Source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is below 50 (49)
- Stochastic is oversold
- Price is above the weekly pivot point (USD 21,476)
- Technical outlook last week: Positive reversal with stochastic
- The RSI was moving lower alongside price last week; however, this was not being replicated by the stochastic, meaning we had a positive reversal pattern in play. We noted that market shorts should be cautious on a close above the weekly pivot level at USD 22,123, as it would signal that near-term buy-side pressure was increasing, warning the USD 25,929 fractal high could be tested.
- The index broke to the downside resulting in the positive reversal pattern failing, however, price recovered to close back above the weekly pivot level at USD 21,476. We are between the 8-21 period EMA's with the RSI near neutral at 49.
- Momentum based on price is aligned to the buy-side, a close below USD 21,871 would mean it is aligned to the sell side. Upside moves that fail at or below USD 23,637 will leave the index vulnerable to further tests to the downside, above this level the USD 25,929 fractal resistance will become vulnerable. Key longer-term resistance remains unchanged at USD 35,000.
- Technical outlook: Buyside pressure increasing
- The downside move in the index failed to hold with the RSI producing a minor positive divergence with the RSI. The index is now approaching the USD 23,637 resistance with the RSI now above its average; if the USD 23,637 resistance is broken, then the probability of price trading to a new low will begin to decrease. We are seeing signs of momentum support, suggesting key near-term resistance is vulnerable; if broken, it will confirm the we are seeing an increase in buy-side pressure.



Capesize April 26

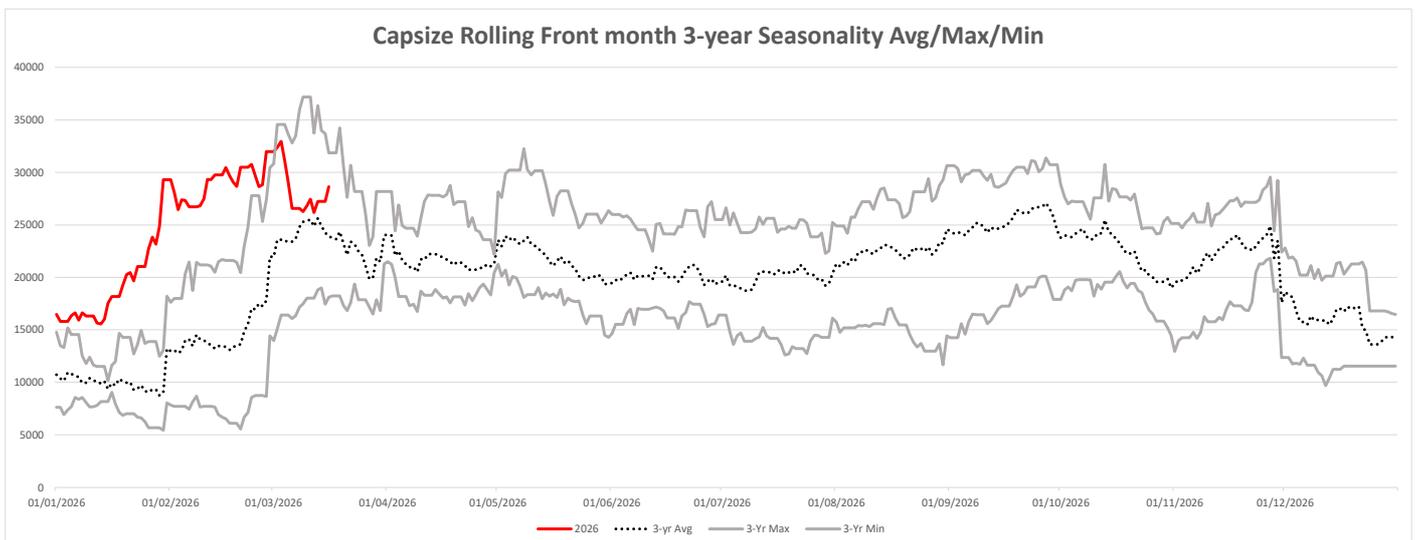


Support	Resistance	Current Price	Bull	Bear
S1	R1	28,625	RSI above	RSI below 50
S2	R2			
S3	R3			

Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (52)
- Stochastic is below 50
- Technical Outlook last week: Caution on upside moves while below USD 29,680
- Futures had entered a corrective phase last week with price finding bid support after failing to hold below the daily 200-period moving average at USD 24,172. This suggested that there was underlying support in the market. However, we noted that corrective phases typically unfold in three waves, and so far we have only seen one wave lower. We also noted that the lower-timeframe Elliott Wave cycle had completed, which made us cautious about upside moves in the near term. We identify USD 29,680 as the key resistance level to watch. A move above this level would reduce the probability of price trading to a new low. However, it was important to note that while above USD 21,329 the technical suggested that there could be a larger, bullish Elliott wave cycle in play.
- Having held above the 200-period MA at USD 24,407 the futures are now seeing bid support, putting price above the 8-21 period EMA's with the RSI above 50.
- Downside moves that hold at or above USD 21,329 will warn that there could be a larger bullish Elliott wave cycle coming into play; likewise, upside moves that hold at or below USD 29,680 will level the futures vulnerable to further tests to the downside.
- Technical Outlook: Approaching an inflection point at USD 29,680
- USD 29,680 is the key resistance to follow on the technical. In theory, upside moves should be countertrend; however, as noted in the morning report last week, focus should be on momentum rather than the psychological footprint of the market, due the situation in the Middle - East. This is where the technical is conflicting, intraday momentum is supported; daily momentum warns of weakness while the RSI is below its moving average. USD 29,680 is a key level, if rejected, supported by weakening intraday momentum, then support could come back under pressure. Conversely, if the daily RSI moves above its MA with price breaching the USD 29,680 resistance, then the probability of the futures trading to a new low will begin to decrease.



Capesize Q2 26

Track Annotate News Zoom Reset

■ CSTCQ Q226 FISL Index - Last Price 29125.000
 ■ Moving Average(Exponential,55,0) 28334.051
 ■ Moving Average(Simple,3,1) 28033.334
 ■ EMAVG (8) on Close 28744.080
 ■ EMAVG (21) on Close 29448.889



CSTCQ Q226 FISL
 ■ Slow %K(14,5) 38.1538
 ■ Slow %D(3) 33.7867

CSTCQ Q226 FISL
 ■ RSI 48.8182
 ■ Moving Average 51.7985

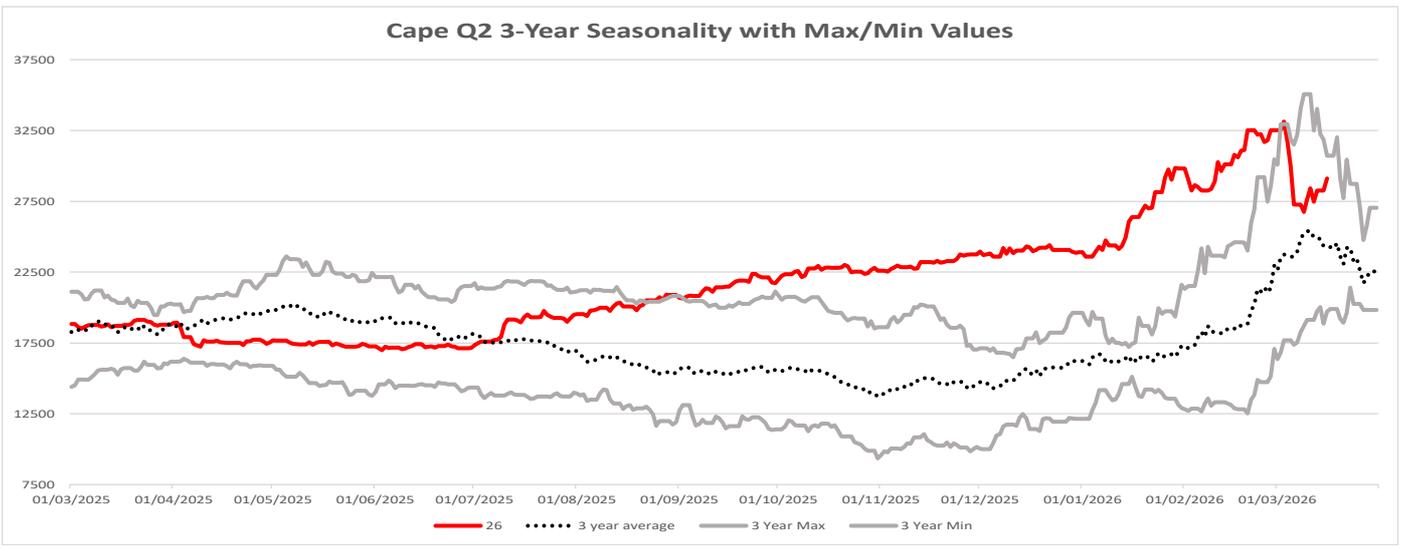
■ ROC (10) on Close (CSTCQ Q226 FISL) -10.1773

	Support	Resistance	Current Price	Bull	Bear
S1	27,011	R1	29,125	Stochastic oversold	RSI below 50
S2	25,100	R2			
S3	22,508	R3			

Synopsis

Source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is below 50 (48)
- Stochastic is oversold
- Technical outlook last week: bearish, caution on higher moves.
- The downside move below USD 27,750 previously signaled that the lower timeframe Elliott wave cycle had completed, meaning upside moves should be considered as countertrend in the near-term, making USD 30,437 the key resistance to follow. Above USD 30,437 the probability of the futures trading to a new low would begin to decrease; conversely, failure to trade above this level would warn of further downside within this corrective phase. Price was in a corrective phase within a broader bullish trend.
- The futures are seeing light bid with price now between the 8-21 period EMA's, the RSI remains below 50.
- Downside moves that hold at or above USD 22,508 will support a bull longer-term argument, below this level the technical will have a neutral bias.
- Technical outlook: bearish, caution on higher moves
- This will be the same story across the freight complex, bullish or bearish, directional bias will be related to the continued closure of the straight, and any effect on the bunkers. We will be giving, as always, a non-biased view of the technical; however, we cannot emphasize the importance of the 'whole picture' at this point. Technically, we are bearish with upside moves considered as countertrend, making USD 30,437 the key resistance to follow. A move above this level would reduce the probability of the futures trading to a new low. The broader technical (higher timeframe Elliott wave cycle) remains bullish above USD 22,508, and neutral below. The RSI moving average implies that momentum remains weak; however, if the RSI starts to close above its average, it will signal that buy-side momentum pressure is increasing.



Capesize Cal 27

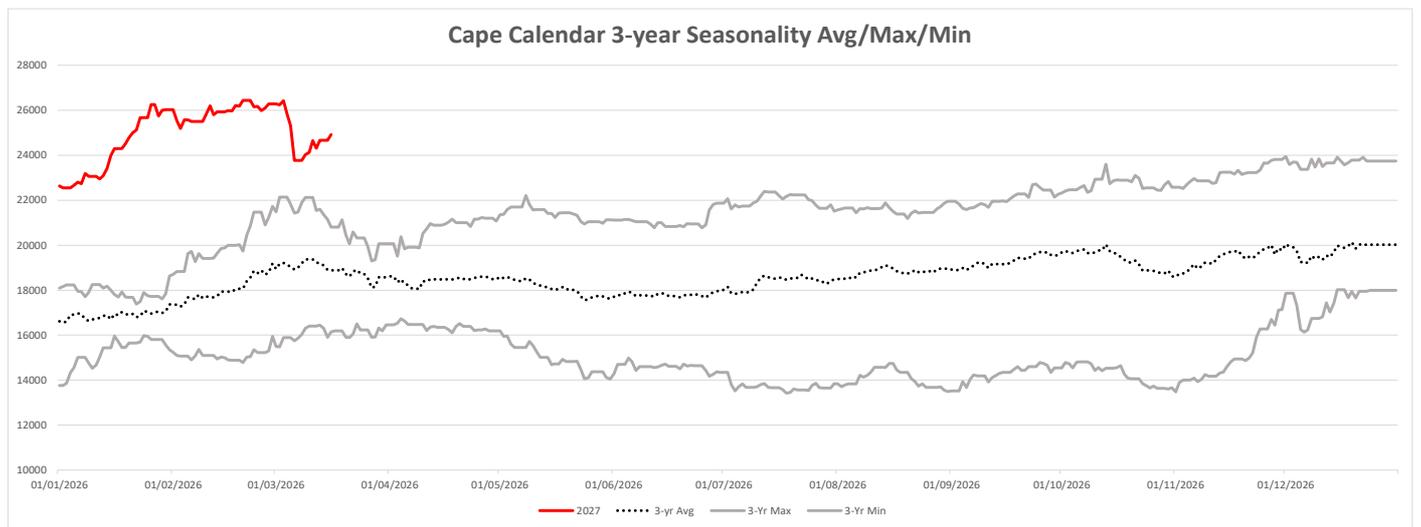


Support	Resistance	Current Price	Bull	Bear
S1	R1	24,925		RSI below 50
S2	R2			
S3	R3			

Synopsis

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (46)
- Stochastic is below 50
- Technical Outlook last week: Caution on higher moves while below USD 25,351
- The move below USD 25,025 fractal support and the USD 23,825 level last week suggested that the lower timeframe Elliott wave cycle had completed. This also implied that upside moves should be considered as countertrend in the near-term, making USD 25,351 the key resistance to follow. A rejection of this level would warn that there was further downside within this corrective phase; conversely, if broken, the probability of price trading to a new low would begin to decrease, warning the USD 26,700 fractal resistance could be tested and broken. The broader trend remained bullish but in a corrective phase.
- The futures are finding bid support with price between the 8-21 period EMA's while the RSI remains below 50.
- Downside moves that hold at or above USD 21,222 will support a longer-term bull argument, below this level will the technical will have a neutral bias.
- Technical Outlook : Caution on higher moves while below USD 25,351
- The upside move in early March failed to trade above the Jan-26 high, meaning we are on the third leg of the corrective phase. The three black soldiers candle pattern (red in this case), indicate momentum weakness, making USD 25,351 the key resistance to follow. Above USD 25,351 the probability of price trading to a new low will begin to decrease, couple with this already being the third wave in the correction, it would suggest the USD 26,700 fractal high was vulnerable. Conversely, if rejected it would signal that support remains vulnerable. Although USD 25,351 is the key level to follow, USD 25,025 was the last fractal support. Market bulls should be cautious if this level is rejected, as it would confirm a change of polarity to the sell side.



Capesize C5 April 26 (Heikin Ashi Chart)



	Support	Resistance	Current Price	Bull	Bear
S1	11.63	R1	12.80	RSI above 50	Stochastic overbought
S2	10.78	R2			
S3	10.40	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 (75)
- Stochastic is overbought
- Technical outlook last week: Cautious bull—Negative divergence in play
- The upside moves to a new high last week suggested that the futures would be in divergence with the RSI, warning buyside momentum could slow down. However, we noted that this was purely a technical view, we were aware of the situation with oil, so there is a high possibility that the technical footprint could be ignored. Based on the technical, we had a note of caution on higher moves.
- Oil remains above USD 100 which has resulted in the C5 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 10.78 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 supported 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. Purely technical, price is unlikely to see a significant pullback while the straight is closed, suggesting the divergence could fail.

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