



# Capesize Technical Report

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## Index

Technical outlook: Resistance holding

The index is in the process of rejecting the USD 23,637 resistance; however, the RSI remains above its MA at this point. If the RSI closes below its average it will warn that sell side pressure is on the increase, warning the USD 20,333 and USD 19,188 support levels could be tested. Conversely, if the RSI holds its average, resistance will remain vulnerable. Market shorts should be cautious on a close above the weekly pivot level at USD 23,234, as it will warn that balance is turning to the buy side.

## April 26

Technical Outlook: Testing the 200-period MA—caution while above the average.

The upside rejection of the USD 29,680 resistance is warning that the USD 22,750 fractal low is vulnerable. However, price tested and held the 200-period MA at USD 24,633 on the 23/03, resulting in light bid support entering the market. While above the average we are cautious on downside moves; a close that holds below it will imply we are seeing an increase in sell side pressure, suggesting support levels will be tested.

## Q2 26

Technical outlook: bearish, caution on breakouts below USD 25,075

The futures remain in a corrective phase with the RSI moving average implying momentum is weak. Bid support on the 23/03 means price failed to trade to a new low; however, we will have a note of caution on downside breakouts below USD 25,075, as price will be in divergence with the RSI.

## Cal 27

Technical Outlook : Caution on higher moves while below USD 25,351

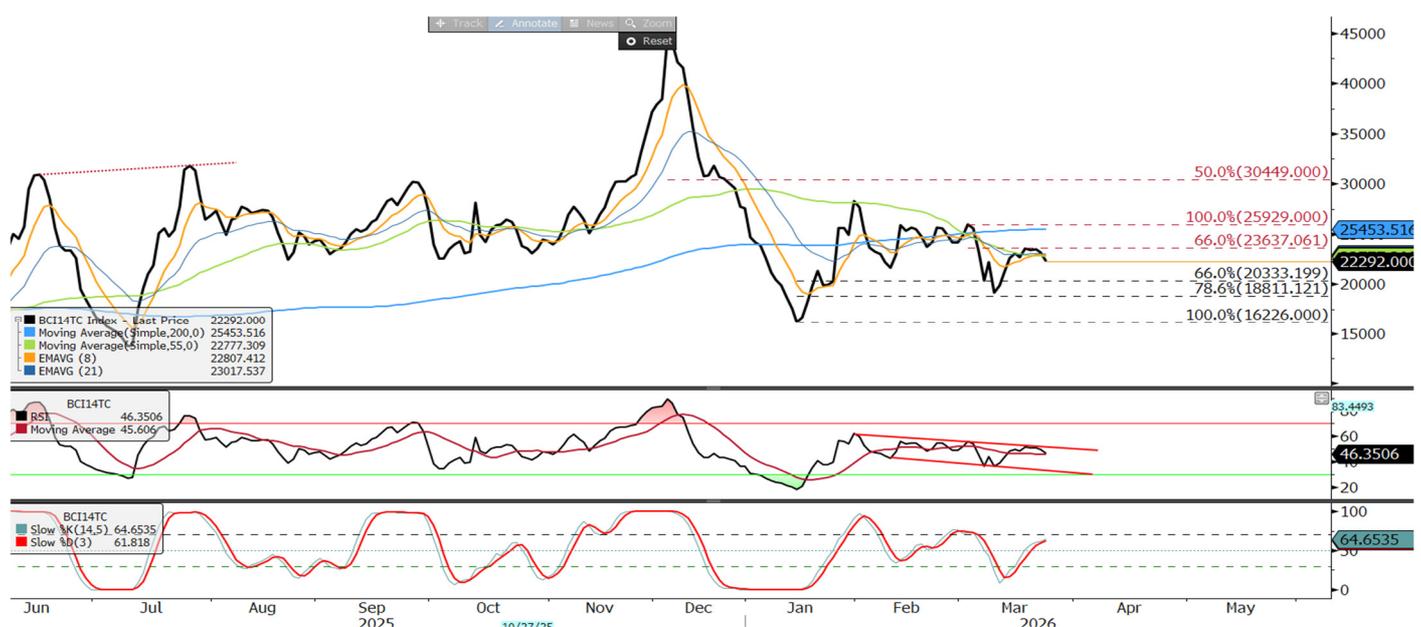
Unchanged on the technical today, the polarity change is warning that the USD 23,025 support remains vulnerable point. We continue to be cautious on upside moves while below USD 25,351. Note: we are also cautious on downside breakouts below USD 23,025, as price is likely to be divergent with the RSI. Support is currently still vulnerable at this point.

## C5 April 26

Technical outlook: Caution on downside moves

Price is moving lower on the negative divergence with the RSI. However, the RSI is trading to new low but price remains above the USD 11.08 fractal support, meaning we have a positive reversal pattern in play. The reversal pattern warns that there is still underlying support in the market, implying caution on lower moves while above USD 11.08. Below USD 11.08 both the RSI and price will have made new lows, this will create a bearish momentum confirmation, warning support could come under further pressure.

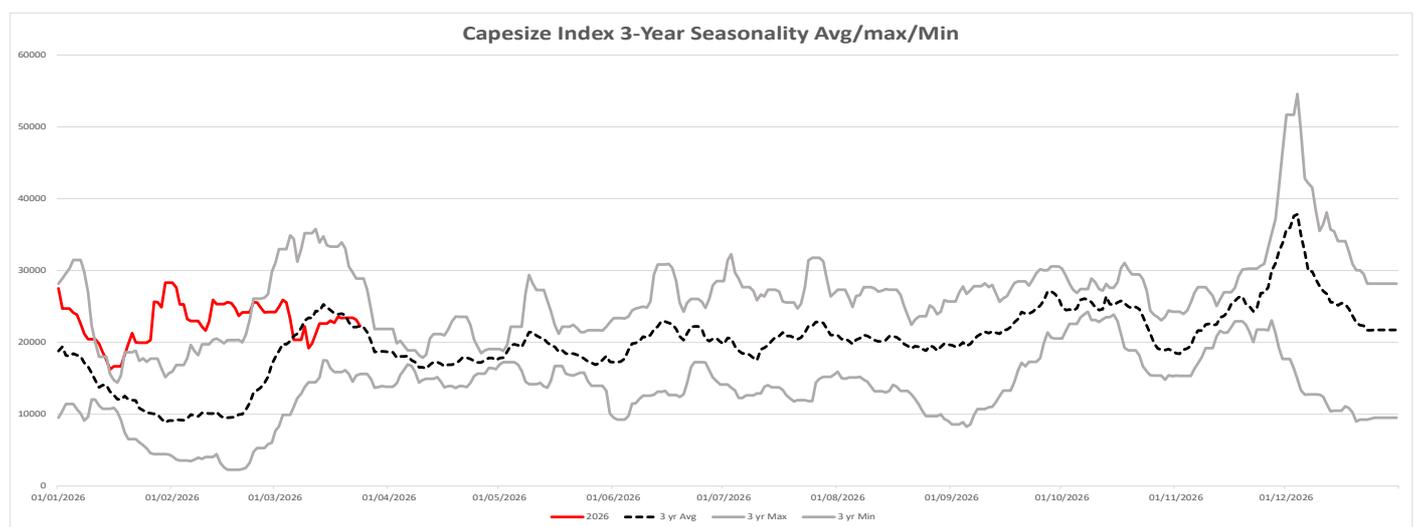
# Capesize Index



	Support	Resistance	Current Price	Bull	Bear
S1	20,333	R1	23,234		RSI below 50
S2	18,811	R2	23,637		
S3	16,226	R3	25,929		

**Synopsis** Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (46)
- Stochastic is above 50
- Price is above the weekly pivot point (USD 21,476)
- Technical outlook last week: Buyside pressure increasing
- The downside move in the index failed to hold previously with the RSI producing a minor positive divergence with the RSI. The index was approaching the USD 23,637 resistance with the RSI above its average; if the USD 23,637 resistance was broken, then the probability of price trading to a new low would begin to decrease. We were seeing signs of momentum support, suggesting key near-term resistance is vulnerable; if broken, it would confirm the we are seeing an increase in buy-side pressure.
- The index traded to a high of USD 23,574, meaning the USD 23,637 resistance held, resulting in a small move lower. 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 23,055 would mean it is aligned to the buyside. 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: Resistance holding
- The index is in the process of rejecting the USD 23,637 resistance; however, the RSI remains above its MA at this point. If the RSI closes below its average it will warn that sell side pressure is on the increase, warning the USD 20,333 and USD 19,188 support levels could be tested. Conversely, if the RSI holds its average, resistance will remain vulnerable. Market shorts should be cautious on a close above the weekly pivot level at USD 23,234, as it will warn that balance is turning to the buyside.



# Capesize April 26

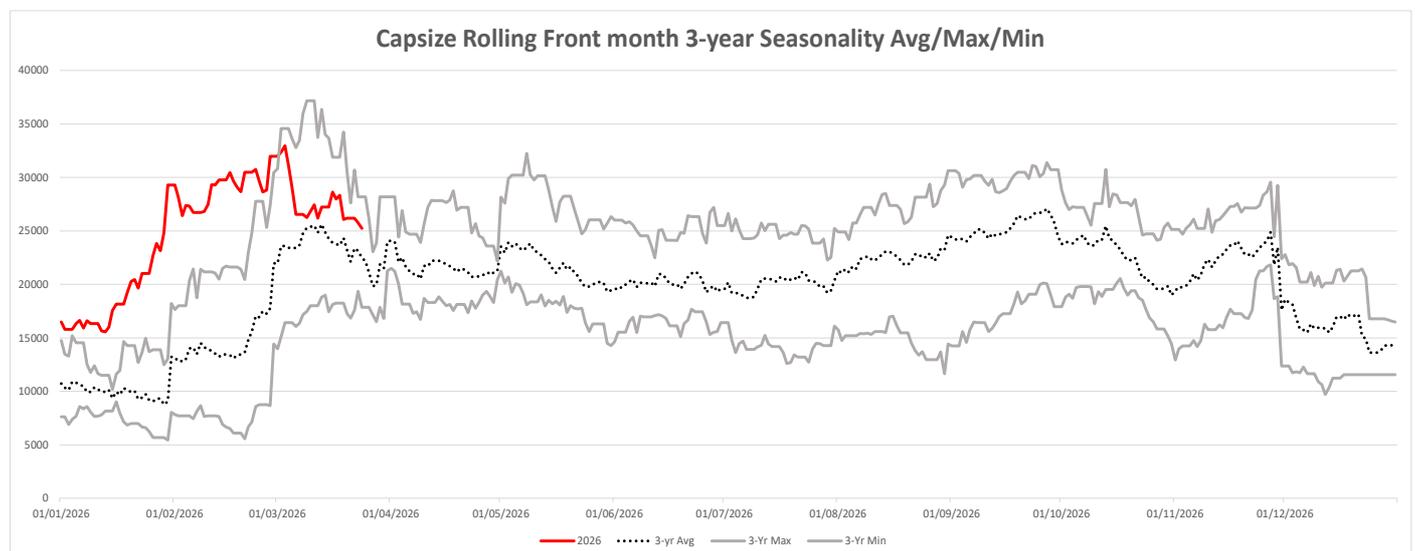


	Support	Resistance	Current Price	Bull	Bear
S1	24,635	R1	29,125		RSI below 50
S2	24,312	R2	29,680		
S3	21,452	R3	31,003		

## Synopsis

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (41)
- Stochastic is below 50
- Technical Outlook last week: Approaching an inflection point at USD 29,680
- We noted previously that USD 29,680 was the key resistance to follow on the technical. In theory, upside moves should be countertrend; however, as noted in the morning report, focus should be on momentum rather than the psychological footprint of the market, due the situation in the Middle - East. This was where the technical is conflicting, intraday momentum was supported; daily momentum warned of weakness while the RSI is below its moving average. USD 29,680 was a key level, if rejected, supported by weakening intraday momentum, then support could come back under pressure. Conversely, if the daily RSI moved above its MA with price breaching the USD 29,680 resistance, then the probability of the futures trading to a new low would begin to decrease.
- The upside move rejected the USD 29,680 resistance with the RSI failing to close above its MA, resulting in price moving lower. We are below the 8-21 period EMA's supported by the RSI below 50.
- Downside moves that hold at or below USD 21,452 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: Testing the 200-period MA—caution while above the average.
- The upside rejection of the USD 29,680 resistance is warning that the USD 22,750 fractal low is vulnerable. However, price tested and held the 200-period MA at USD 24,633 on the 23/03, resulting in light bid support entering the market. While above the average we are cautious on downside moves; a close that holds below it will imply we are seeing an increase in sell side pressure, suggesting support levels will be tested.



# Capesize Q2 26

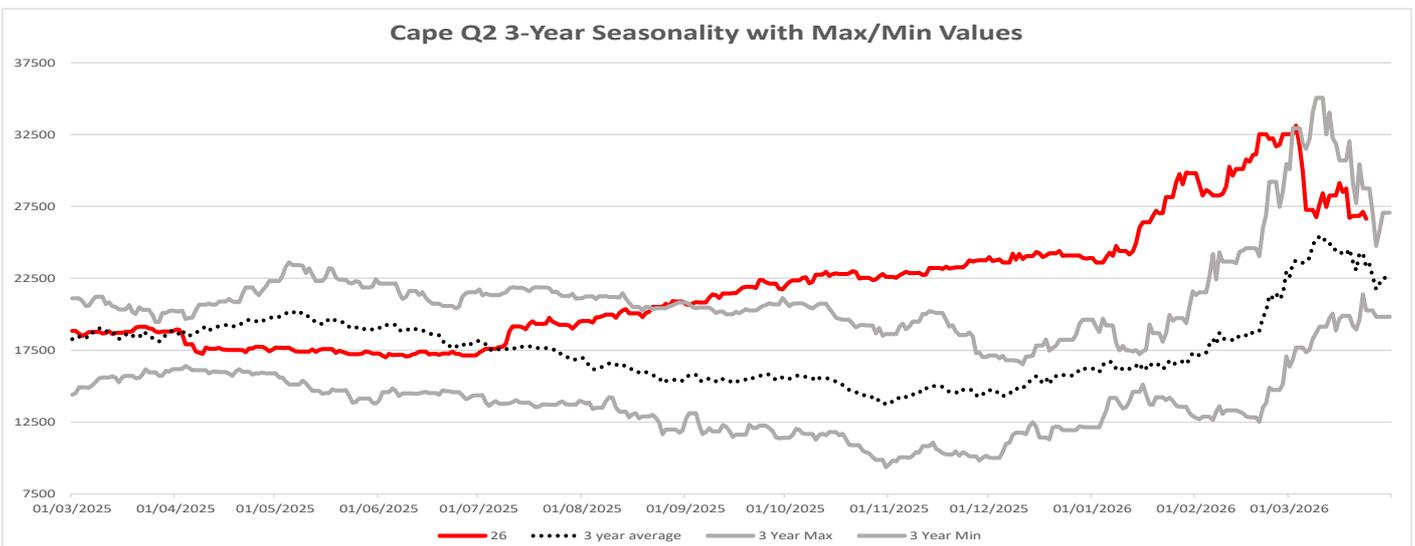


Support	Resistance	Current Price	Bull	Bear
S1	R1	26,550	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

## Synopsis

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (39)
- Stochastic is oversold
- Technical outlook last week: bearish, caution on higher moves.
- We noted last week that bullish or bearish, directional bias would be related to the continued closure of the straight, and any effect on the bunkers. We would be giving, as always, a non-biased view of the technical; however, we could not emphasize the importance of the 'whole picture' at that point. Technically, we were 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) remained bullish above USD 22,508, and neutral below. The RSI moving average implies that momentum remains weak; however, if the RSI started to close above its average, it would signal that buyside momentum pressure was increasing.
- The RSI rejected its average, resulting in price testing but holding above the USD 25,075 fractal low. We are below all key moving averages supported by the RSI 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 breakouts below USD 25,075
- The futures remain in a corrective phase with the RSI moving average implying momentum is weak. Bid support on the 23/03 means price failed to trade to a new low; however, we will have a note of caution on downside breakouts below USD 25,075, as price will be in divergence with the RSI.



# Capesize Cal 27

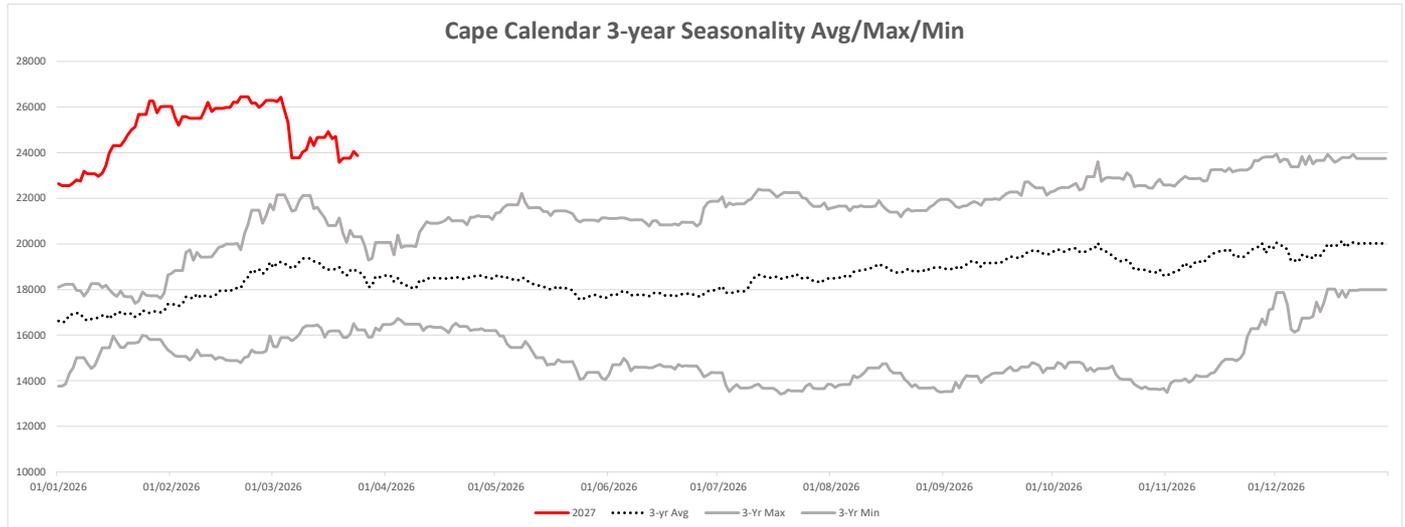


	Support	Resistance	Current Price	Bull	Bear
S1	23,529	R1	25,025		RSI below 50
S2	23,025	R2	25,351		
S3	22,550	R3	25,795		

### Synopsis

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (38)
- Stochastic is below 50
- Technical Outlook last week: Caution on higher moves while below USD 25,351
- We noted previously that the upside move in early March failed to trade above the Jan-26 high, meaning we were on the third leg of the corrective phase. The three black soldiers candle pattern (red in this case), indicated momentum weakness, making USD 25,351 the key resistance to follow. Above USD 25,351 the probability of price trading to a new low would begin to decrease, alongside this already being the third wave in the correction, it would suggest the USD 26,700 fractal high would be vulnerable. Conversely, if rejected it would signal that support could come back under pressure. Although USD 25,351 was the key level to follow, USD 25,025 was the last fractal support. Market bulls should be cautious if this level was rejected, as it would confirm a change of polarity to the sell side.
- The futures traded to a high of USD 25,025 before selling lower, confirming a change in polarity. We are below the 8-21 period EMA's supported by the RSI 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
- Unchanged on the technical today, the polarity change is warning that the USD 23,025 support remains vulnerable point. We continue to be cautious on upside moves while below USD 25,351. Note: we are also cautious on downside breakouts below USD 23,025, as price is likely to be divergent with the RSI. Support is currently still vulnerable at this point.



# Capesize C5 April 26 (Heikin Ashi Chart)



Support	Resistance	Current Price	Bull	Bear
S1	R1	11.85	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 between the 8-21 period EMA's
- RSI is above 50 (54)
- Stochastic is overbought
- Technical outlook last week: Cautious bull—Negative divergence in play
- Unchanged on the technical this week. The futures remained supported but in divergence with the RSI, not a sell signal, it warned that we could see a momentum slowdown which needed to be monitored. Purely technical, we noted that price was unlikely to see a significant pullback while the straight was closed, suggesting the divergence could fail. Oil remained above USD 100 which had resulted in the C5 trading to new highs. We are above all key moving averages supported by the RSI above 50.
- Having traded to a high of USD 12.78 the futures have entered a corrective phase on the divergence. We are between the 8-21 period EMA's supported by the RSI above 50.
- Technical outlook: Caution on downside moves
- Price is moving lower on the negative divergence with the RSI. However, the RSI is trading to new low but price remains above the USD 11.08 fractal support, meaning we have a positive reversal pattern in play. The reversal pattern warns that there is still underlying support in the market, implying caution on lower moves while above USD 11.08. Below USD 11.08 both the RSI and price will have made new lows, this will create a bearish momentum confirmation, warning support could come under further pressure.

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