



Capesize Technical Report

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

Index

Technical outlook: Buyside pressure continues to increase.

The RSI has broken resistance with price closing and holding above the 200-period MA at USD 25,329, suggesting the USD 28,306 fractal resistance, and USD 30,449 Fibonacci resistance levels are now vulnerable. Market buyers should be cautious on a daily close below the weekly pivot level at USD 26,071, as it would warn that sell-side pressure is on the increase. Saying that, price and the RSI have made new highs, meaning we have bullish momentum confirmation, suggesting downside moves should in theory be countertrend.

May 26

Technical Outlook: Downside moves considered as countertrend

The RSI moving average implies momentum support, while the intraday divergence on the 4-hour timeframe is in the process of failing. The technical is bullish, price and the RSI are making new highs having held the intraday 200-period MA, suggesting downside moves should be considered as countertrend, making USD 26,578 the key support to follow. Throwbacks that breach the USD 26,578 level will reduce the probability of price trading to a new high.

Q3 26

Technical outlook: Bullish—Caution on downside moves.

The Q3 futures are moving higher on a positive divergence with the RSI. The upside move above USD 28,025 means the technical is bullish based on price, while the move above USD 29,478 means that the probability of the futures trading to a new low has started to decrease. Price and the RSI are making new highs, while the RSI moving average is also moving higher, suggesting downside moves should be considered as countertrend while above the USD 26,465 support.

Cal 27

Technical Outlook : Buy-side pressure increasing.

The symmetrical break to the upside has resulted in price trading above the USD 25,351 resistance, meaning the probability of price trading to a new low has begun to decrease. The RSI moving average indicates momentum support, while price and the RSI are making new highs, suggesting buyside pressure is on the increase. The move above USD 25,351 implies that downside moves have a greater chance of being countertrend.

C5 May 26

Technical outlook: Caution on downside moves

Price is moving higher on the positive reversal pattern, implying the market remains supports. A close above USD 12.41 will signal an increase in buyside pressure, warning the USD 12.78 fractal high could be tested and broken. As highlighted previously, if the futures trade able the USD 11.08 support, then price and the RSI will have made new lows, indicating support could come under pressure.

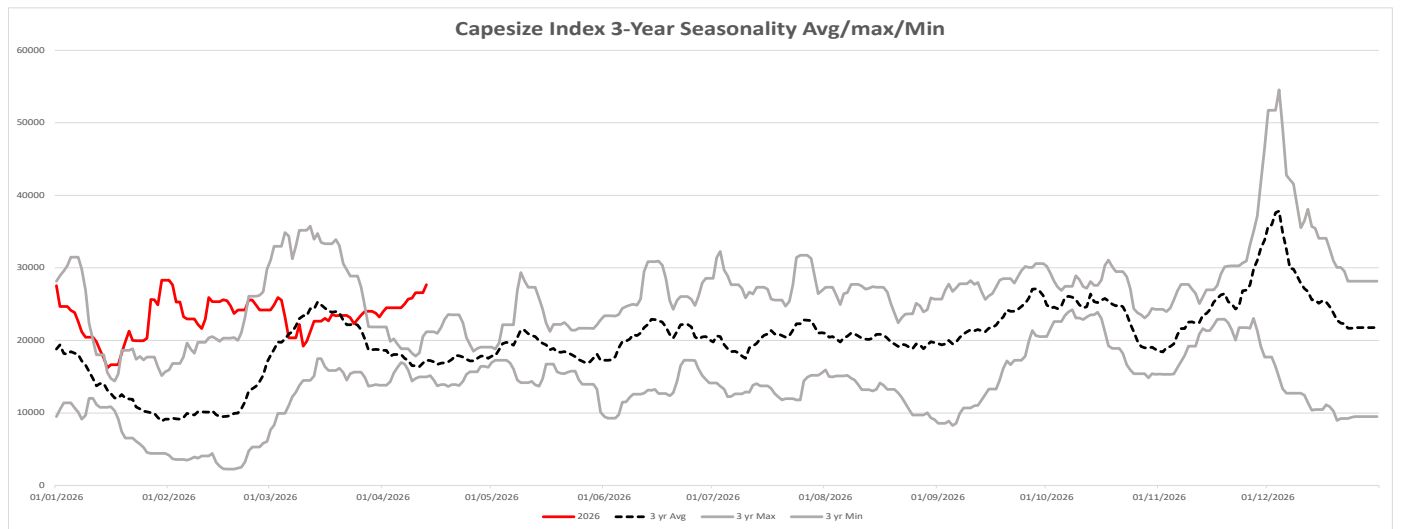
Capesize Index



	Support	Resistance	Current Price	Bull	Bear
S1	25,329	R1	30,449	RSI above 50	Stochastic overbought
S2	20,333	R2	35,000		
S3	18,811	R3	38,584		

Synopsis Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (67)
- Stochastic is overbought
- Price is above the weekly pivot point (USD 26,071)
- Technical outlook Previously: buy-side pressure increasing
- We noted previously that the upside move above USD 23,637 means that the probability of the futures trading to a new low had begun to decrease; however, for upside continuation, the index would need to close and hold above the 200-period MA at USD 25,401. A rejection of the longer-term average would warn that support levels could come under pressure. We had turned lower on the 30/03, which brought the weekly pivot level at USD 23,426 into focus; a close below this level would warn that balance was turning to the sell side.
- The index closed but failed to hold below the weekly pivot level at USD 23,426, resulting in price moving higher. We are above all key moving averages supported by the RSI above 50.
- Momentum based on price is aligned to the buy-side, a close below USD 26,313 would mean it is aligned to the sell side. Key longer-term resistance remains unchanged at USD 35,000.
- Technical outlook: Buy-side pressure continues to increase.
- The RSI has broken resistance with price closing and holding above the 200-period MA at USD 25,329, suggesting the USD 28,306 fractal resistance, and USD 30,449 Fibonacci resistance levels are now vulnerable. Market buyers should be cautious on a daily close below the weekly pivot level at USD 26,071, as it would warn that sell-side pressure is on the increase. Saying that, price and the RSI have made new highs, meaning we have bullish momentum confirmation, suggesting downside moves should in theory be counter-trend.



Capesize May 26

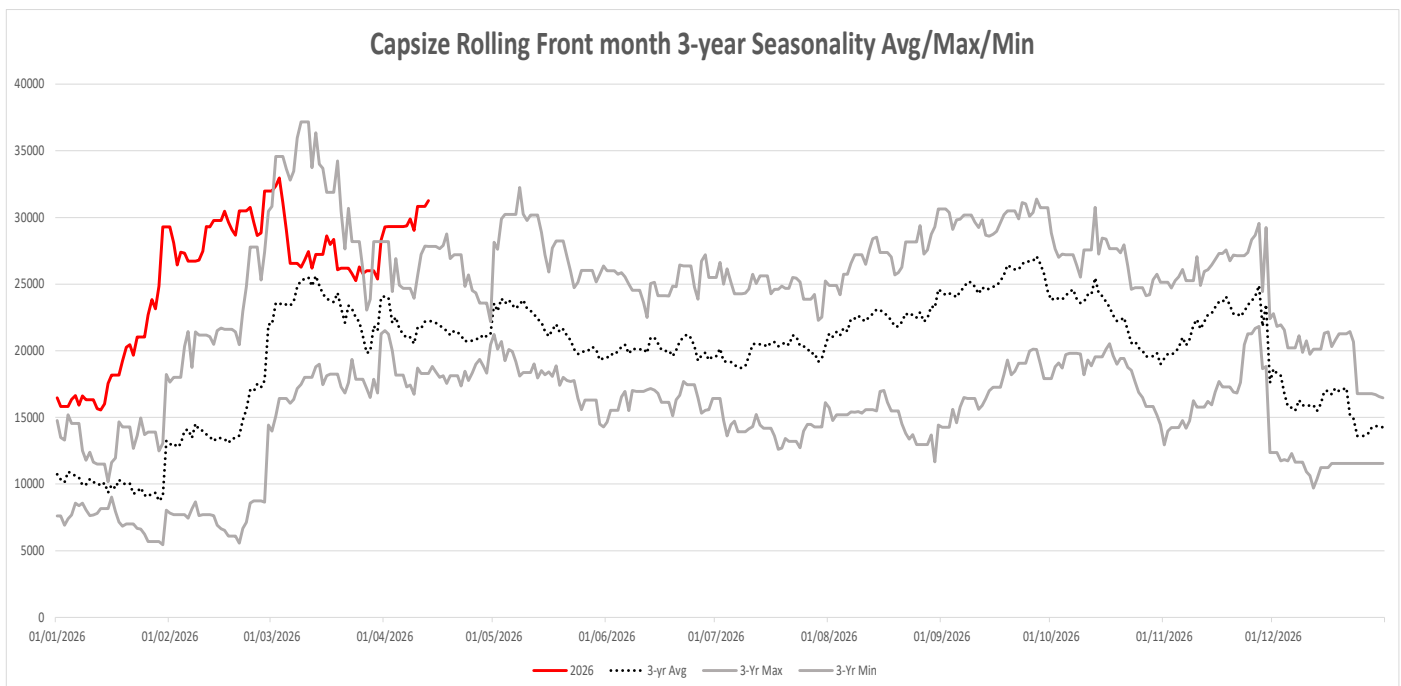


	Support	Resistance	Current Price	Bull	Bear
S1	28,741	R1	33,250	RSI above 50	Stochastic overbought
S2	26,552	R2	36,799		
S3	23,875	R3	40,625		

Synopsis

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (43)
- Stochastic is below 50
- Technical Outlook Previously: Caution on downside moves while above the 200-period MA
- Unchanged on the technical previously, the futures were holding above the longer term average; however, the RSI remained below its average at that point. We noted that if the RSI crossed above its MA, it would warn that we were seeing an increase in buy-side pressure, meaning the USD 29,125 fractal resistance could come under pressure. Conversely, for downside continuation, the futures need to close and hold below the 200-period MA.
- The futures held above the 200-period MA at USD 25,188, resulting in price trading above the USD 29,125 fractal resistance, to a high of USD 31,750. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 26,152 will support a bull argument, below this level the technical will have a neutral bias.
- Technical Outlook: Downside moves considered as countertrend
- The RSI moving average implies momentum support, while the intraday divergence on the 4-hour timeframe is in the process of failing. The technical is bullish, price and the RSI are making new highs having held the intraday 200-period MA, suggesting downside moves should be considered as countertrend, making USD 26,578 the key support to follow. Throwbacks that breach the USD 26,578 level will reduce the probability of price trading to a new high.



Capesize Q3 26

Track Annotate News Q ZOOM Reset



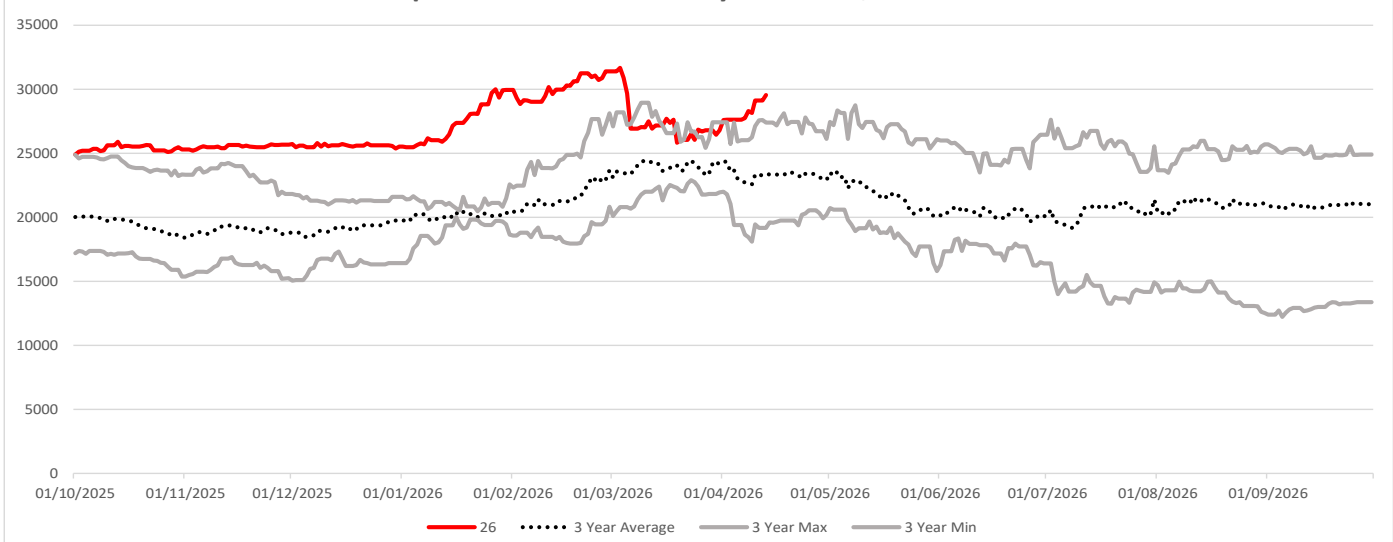
Support	Resistance	Current Price	Bull	Bear
S1	R1	29,550	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is above 50 (59)
- Stochastic is overbought
- Technical outlook Previously: bearish, caution on breakouts below USD 25,075
- The futures remained in a corrective phase previously with the RSI moving average implying momentum was weak. Bid support on the 23/03 meant that price failed to trade to a new low; however, we had a note of caution on downside breakouts below USD 25,075, as price would be in divergence with the RSI.
- The futures remain in a corrective phase with price holding above last weeks support. We are below all key moving averages supported Q2 futures failed to test the USD 25,075 fractal low, resulting in price moving higher. We have now rolled into the Q3 contract. Price is above all key moving averages with the RSI above 50.
- Downside moves that hold at or above USD 26,465 will support a longer-term bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Bullish—Caution on downside moves.
- The Q3 futures are moving higher on a positive divergence with the RSI. The upside move above USD 28,025 means the technical is bullish based on price, while the move above USD 29,478 means that the probability of the futures trading to a new low has started to decrease. Price and the RSI are making new highs, while the RSI moving average is also moving higher, suggesting downside moves should be considered as countertrend while above the USD 26,465 support.

Cape Q3 3-Year Seasonality with Max/Min Values



Capesize Cal 27

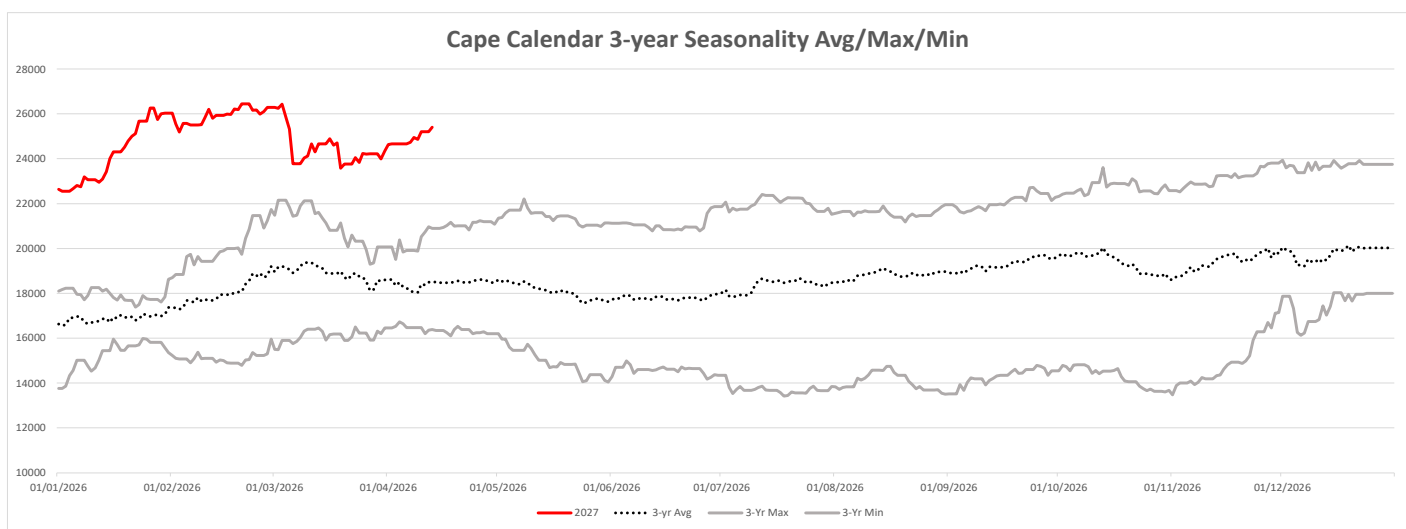


Support		Resistance		Current Price	Bull	Bear
S1	23,529	R1	25,795	25,400		RSI below 50
S2	23,025	R2	26,550			
S3	22,550	R3	26,700			

Synopsis

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (42)
- Stochastic is below 50
- Technical Outlook last week: Neutral
- We continued to have a note of caution on upside moves in the previous report due to the change in polarity highlighted previously. However, price had formed a symmetrical triangle, a neutral pattern where near-term directional bias should come from a close and hold outside of the pattern (USD 23,569—USD 24,224). If the break was to the downside, then we should monitor for an RSI divergence below USD 23,025, as it would warn of a momentum slowdown. However, if the RSI makes fresh lows alongside price, then you would be looking at bearish momentum confirmation; at this point, market sellers would look to test the 200-period MA at USD 22,276
- The futures broke the symmetrical triangle to the upside, resulting in a move higher. We are above all key moving averages supported by the RSI above 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 : Buy-side pressure increasing.
- The symmetrical break to the upside has resulted in price trading above the USD 25,351 resistance, meaning the probability of price trading to a new low has begun to decrease. The RSI moving average indicates momentum support, while price and the RSI are making new highs, suggesting buyside pressure is on the increase. The move above USD 25,351 implies that downside moves have a greater chance of being countertrend.



Capesize C5 May 26 (Heikin Ashi Chart)



Support	Resistance	Current Price	Bull	Bear
S1	R1	12.30	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 (59)
- Stochastic is overbought
- Technical outlook Previously: Caution on downside moves
- We noted last week that with little price movement from the previous week, the positive reversal pattern highlighted previously remained in play, warning that there continued to be underlying support in the market. The reversal pattern warned that resistance levels remain vulnerable; however, if the futures did trade able the USD 11.08 support, then price and the RSI would have made new lows, indicating support could come under further pressure.
- The futures are seeing light bid support on the positive reversal pattern. 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: Caution on downside moves
- Price is moving higher on the positive reversal pattern, implying the market remains supports. A close above USD 12.41 will signal an increase in buyside pressure, warning the USD 12.78 fractal high could be tested and broken. As highlighted previously, if the futures trade able the USD 11.08 support, then price and the RSI will have made new lows, indicating support could come under pressure.

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