



# Capesize Technical Report

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

Index

Index

The upside moves above USD 35,000 means that the probability of price trading to a new low has started to decrease, suggesting downside moves should be considered as countertrend, providing we hold above the USD 24,732. However, we do have a note of caution on upside moves in the near-term, as the RSI is at 83, while we have a resistance zone between 86–89, implying buy-side momentum could slow down.

May 26

The futures have entered a corrective phase on an intraday divergence with the RSI; however, our Elliot wave analysis continues to suggest that downside moves should be considered as countertrend, making USD 27,615 the key support to follow. Throwbacks below USD 27,615 will be considered as deep, reducing the probability of the futures achieving new highs. The intraday divergence does warn we could see a move lower in the near-term.

Q3 26

With no significant pullback since the last report we maintain our view based on the bullish momentum confirmation previously that downside moves should be considered as countertrend. The RSI moving average continues to imply that momentum remains supported; however, a bearish pin-bar candle on the 15/04 near the USD 31,875 resistance is warning that support levels could come under pressure in the near-term. USD 27,094 is the key support to monitor, throwbacks below this level will reduce the probability of price trading to a new high.

Cal 27

As noted previously, the upside move above the USD 25,351 resistance has reduced the probability of the futures trading to a new low, suggesting downside moves should be considered as countertrend. Price is starting to sell lower; however, the RSI and price have continued to move new highs, indicating bullish momentum, supporting our analysis that downside moves have a higher probability of being countertrend.

C5 May 26

The upside move to a new high means we have a minor negative divergence in play. Not a sell signal, it is a warning that we could see a momentum slowdown, which will need to be monitored. However, if the divergence fails, then the bullish momentum confirmation will warn that resistance could come under further pressure. Throwbacks that hold at or above USD 12.27 will support a bull argument, below this level the probability of price trading to a new high will begin to decrease. While in divergence, the technical warrants a cautious approach on higher moves.

# Capesize Index

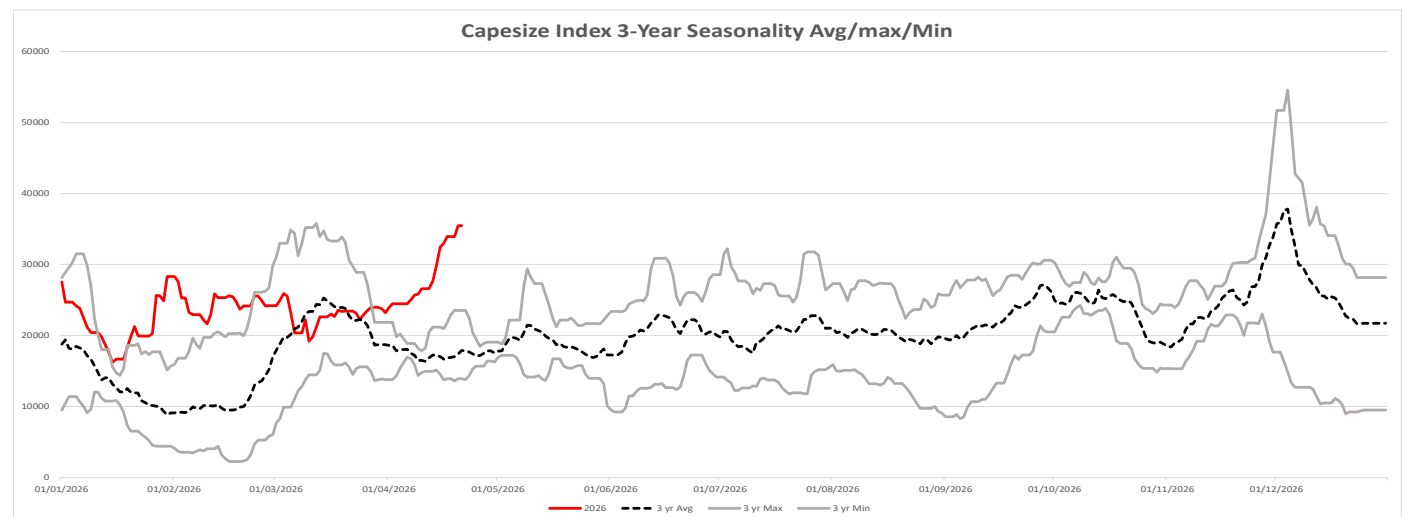


	Support	Resistance	Current Price	Bull	Bear
S1	29,265	R1	38,584	RSI above 50	Stochastic overbought
S2	27,341	R2	44,672		
S3	25,775	R3	52,352		

## Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (83)
- Stochastic is overbought
- Price is above the weekly pivot point (USD 31,843)
- Technical outlook Previously: Buyside pressure continues to increase.
- The RSI had broken resistance last week 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 were now vulnerable. We noted that 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 had made new highs, meaning we had bullish momentum confirmation, suggesting downside moves should in theory be countertrend.
- The index has traded to a high of USD 35,496. We are above all key moving averages supported by the RSI above 50.
- Momentum based on price is aligned to the buyside, a close below USD 34,279 would mean it is aligned to the sell side. Downside moves that hold at or above USD 24,732 will support a bull argument, below this level the technical will re-enter bearish territory.
- Technical outlook: Downside moves considered as countertrend.
- The upside moves above USD 35,000 means that the probability of price trading to a new low has started to decrease, suggesting downside moves should be considered as countertrend, providing we hold above the USD 24,732. However, we do have a note of caution on upside moves in the near-term, as the RSI is at 83, while we have a resistance zone between 86—89, implying buyside momentum could slow down.



# Capesize May 26

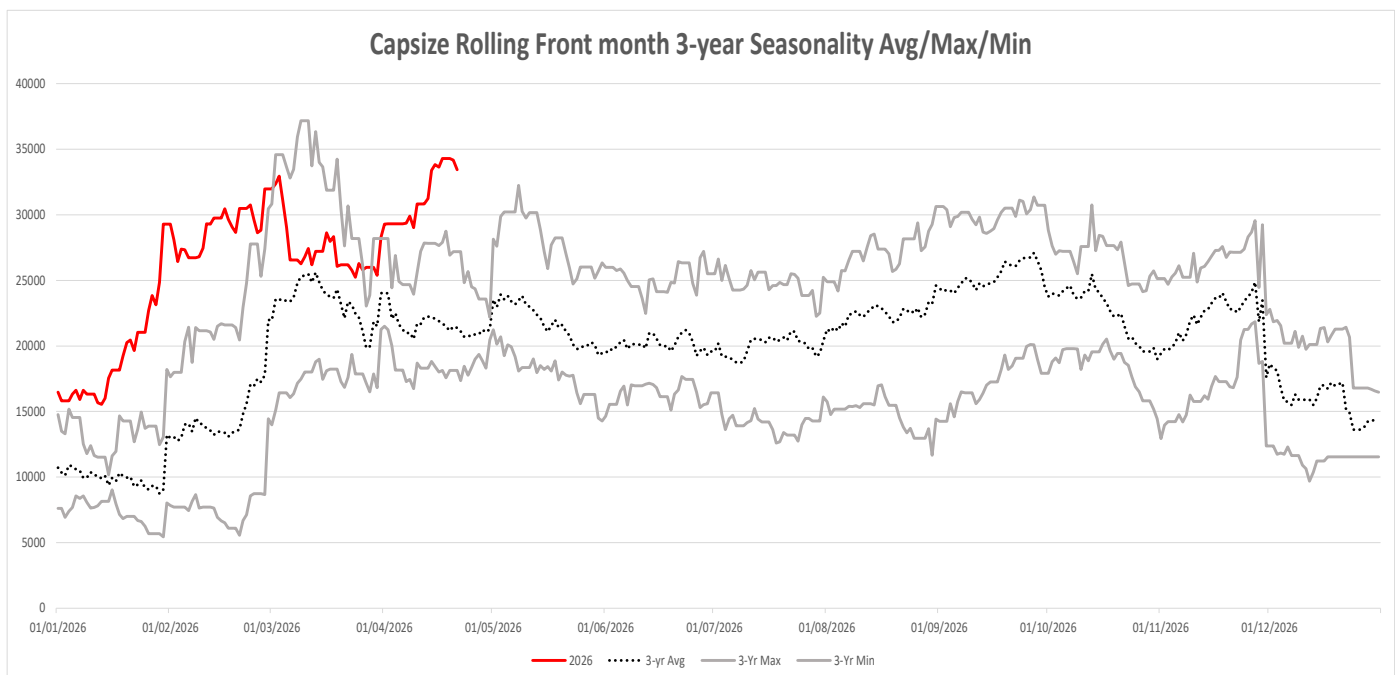


	Support	Resistance	Current Price	Bull	Bear
S1	30,673	R1	36,799	RSI above 50	Stochastic overbought
S2	29,375	R2	40,625		
S3	27,615	R3	45,451		

## Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (65)
- Stochastic is overbought
- Technical Outlook Previously: Downside moves considered as countertrend
- The RSI moving average implies momentum was supported last week, while the intraday divergence on the 4-hour timeframe was in the process of failing. The technical was bullish, price and the RSI were 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 breached the USD 26,578 level will reduce the probability of price trading to a new high.
- The intraday divergence did fail, resulting in price trading to a high of USD 34,875. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 27,615 will support a bull argument, below this level the technical will have a neutral bias.
- Technical Outlook: Downside moves considered as countertrend.
- The futures have entered a corrective phase on an intraday divergence with the RSI; however, our Elliot wave analysis continues to suggest that downside moves should be considered as countertrend, making USD 27,615 the key support to follow. Throwbacks below USD 27,615 will be considered as deep, reducing the probability of the futures achieving new highs. The intraday divergence does warn we could see a move lower in the near-term.



# Capesize Q3 26

Track Annotate News Zoom Reset

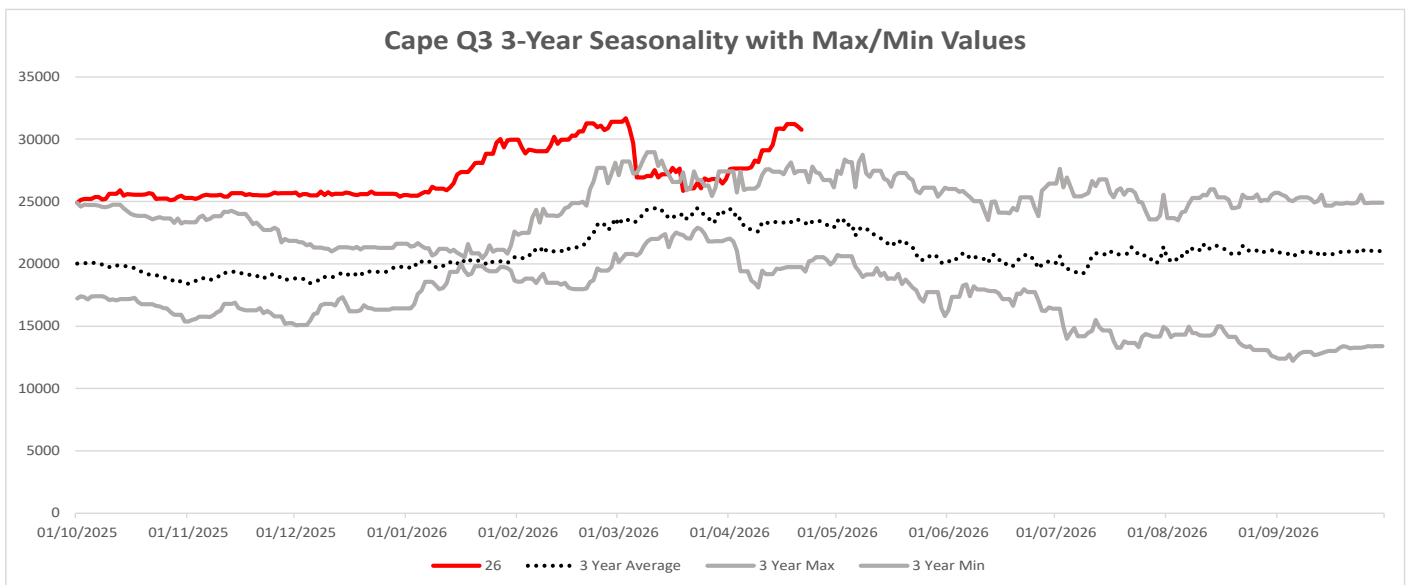


	Support	Resistance	Current Price	Bull	Bear
S1	28,950	R1	31,500	RSI above 50	Stochastic overbought
S2	28,162	R2	31,875		
S3	27,094	R3	33,778		

## Synopsis

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is above 50 (61)
- Stochastic is overbought
- Technical outlook Previously: Bullish—Caution on downside moves.
- The futures were moving higher on a positive divergence with the RSI last week. We noted that the upside move above USD 28,025 meant that the technical was bullish based on price, while the move above USD 29,478 meant that the probability of the futures trading to a new low had started to decrease. Price and the RSI were making new highs, while the RSI moving average was also moving higher, suggesting downside moves should be considered as countertrend while above the USD 26,465 support.
- The futures traded to a high of USD 31,500 before seeing bids begin to fade. We remain above all key moving averages with the RSI above 50.
- Downside moves that hold at or above USD 27,094 will support a longer-term bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Bullish—Caution on downside moves.
- With no significant pullback since the last report we maintain our view based on the bullish momentum confirmation previously that downside moves should be considered as countertrend. The RSI moving average continues to imply that momentum remains supported; however, a bearish pin-bar candle on the 15/04 near the USD 31,875 resistance is warning that support levels could come under pressure in the near-term. USD 27,094 is the key support to monitor, throwbacks below this level will reduce the probability of price trading to a new high.



# Capesize Cal 27

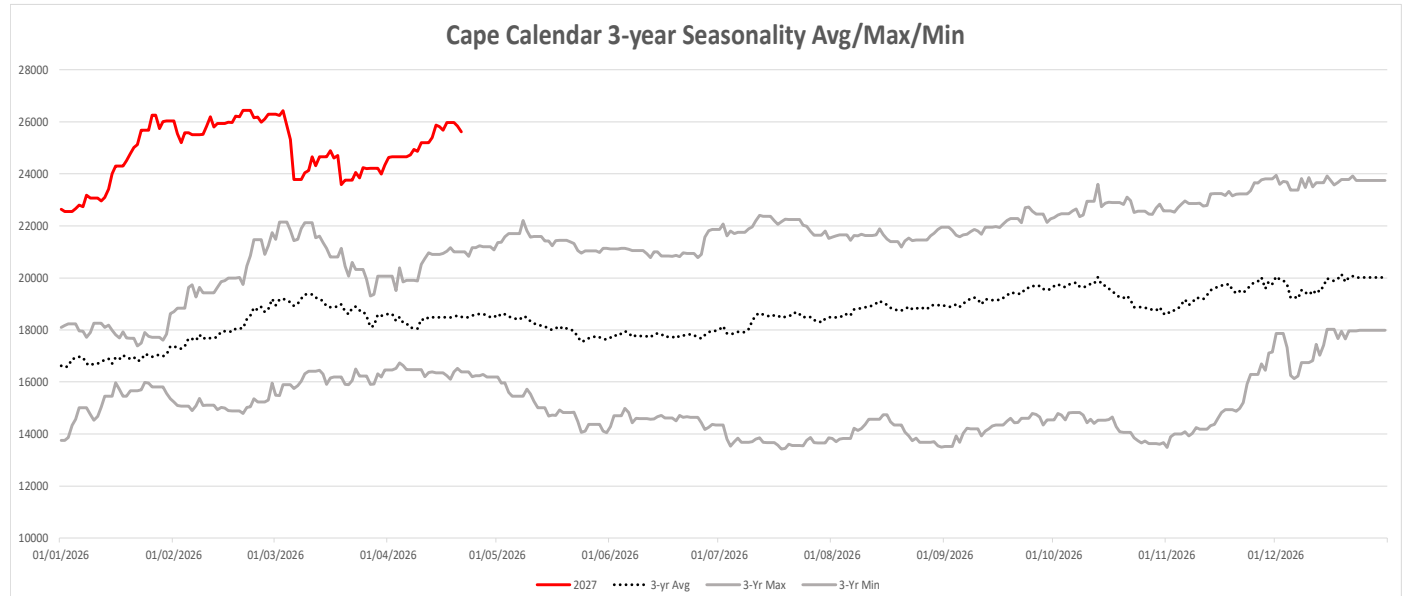


	Support	Resistance	Current Price	Bull	Bear
S1	23,529	R1	26,550	RSI above 50	Stochastic overbought
S2	23,025	R2	27,501		
S3	22,550	R3	27,896		

### Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (55)
- Stochastic is overbought
- Technical Outlook last week: Buy-side pressure increasing.
- We noted previously that the symmetrical break to the upside had 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 indicated momentum support, while price and the RSI were making new highs, suggesting buy-side pressure was on the increase. The move above USD 25,351 implied that downside moves have a greater chance of being countertrend.
- The futures traded to a high of USD 26,050 before entering a small corrective phase. We are above all key moving averages with 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: Downside moves considered as countertrend.
- As noted previously, the upside move above the USD 25,351 resistance has reduced the probability of the futures trading to a new low, suggesting downside moves should be considered as countertrend. Price is starting to sell lower; however, the RSI and price have continued to move new highs, indicating bullish momentum, supporting our analysis that downside moves have a higher probability of being countertrend.



# Capesize C5 May 26 (Heikin Ashi Chart)



	Support	Resistance	Current Price	Bull	Bear
S1	12.78	R1	13,10	RSI above 50	Stochastic overbought
S2	12.27	R2			
S3	11.64	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 Previously: Caution on downside moves
- Price was moving higher on the positive reversal pattern, implying the market remained supports. A close above USD 12.41 would signal an increase in buy-side pressure, warning the USD 12.78 fractal high could be tested and broken. As highlighted previously, if the futures traded below the USD 11.08 support, then price and the RSI would have made new lows, indicating support could come under pressure.
- The futures have traded to new highs 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 12.27 would support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Minor negative divergence in play
- The upside move to a new high means we have a minor negative divergence in play. Not a sell signal, it is a warning that we could see a momentum slowdown, which will need to be monitored. However, if the divergence fails, then the bullish momentum confirmation will warn that resistance could come under further pressure. Throwbacks that hold at or above USD 12.27 will support a bull argument, below this level the probability of price trading to a new high will begin to decrease. While in divergence, the technical warrants a cautious approach on higher moves.

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at [freightinvestorservices.com](http://freightinvestorservices.com)