



# Capesize Technical Report

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Technical outlook: Downside moves considered as countertrend.

Unchanged on the technical this week. We highlighted previously that the upside move above USD 35,000 meant that the probability of price trading to a new low had started to decrease, implying downside moves should be considered as countertrend, providing we hold above the USD 24,904 level. We continue to have a note of caution on upside moves in the near-term; the RSI is now at 79, but we still have the resistance zone between 86—89, implying buyside momentum could slow down as we approach this area.

## May 26

Technical Outlook: Downside moves considered as countertrend.

The corrective move lower is holding above the Fibonacci support zone. The RSI has broken support from the 09/04; however, price has not. This is known as a positive reversal and warns of underlying strength in the market. Our Elliott wave analysis implies downside moves should be considered as countertrend, while the positive reversal pattern warns that the USD 34,875 fractal high could be tested and broken.

## Q3 26

Technical outlook: Bullish—Caution on downside moves.

The current candle is trading within the body of the candle on Friday, suggesting we will have a bullish Harami pattern on the close today. This is a warning pattern that sell side momentum is slowing and could potentially be about to reverse. Confirmation from further bullish closes will leave the USD 31,500 high vulnerable. Conversely, a daily close below USD 29,325 will signal that sell-side pressure is on the increase.

## Cal 27

Technical Outlook: Downside moves considered as countertrend.

We maintain our view based on the bullish momentum confirmation previously that downside moves should be considered as countertrend. A close above the high of the low candle from Friday at USD 25,625 will signal buy-side pressure is on the increase. Further confirmation of increasing momentum support will come from the RSI closing back above its moving average. Evidence of emerging support warns that resistance could come under pressure.

## C5 May 26

Technical outlook: Momentum support.

Having sold lower on the minor divergence previously, we are now seeing light bid support as the RSI is holding support. If the RSI breaks support, then we have a positive reversal pattern in play, warning resistance levels could be tested and broken. Due to the potential positive reversal pattern, we are currently cautious on downside moves while above the USD 12.27 level.

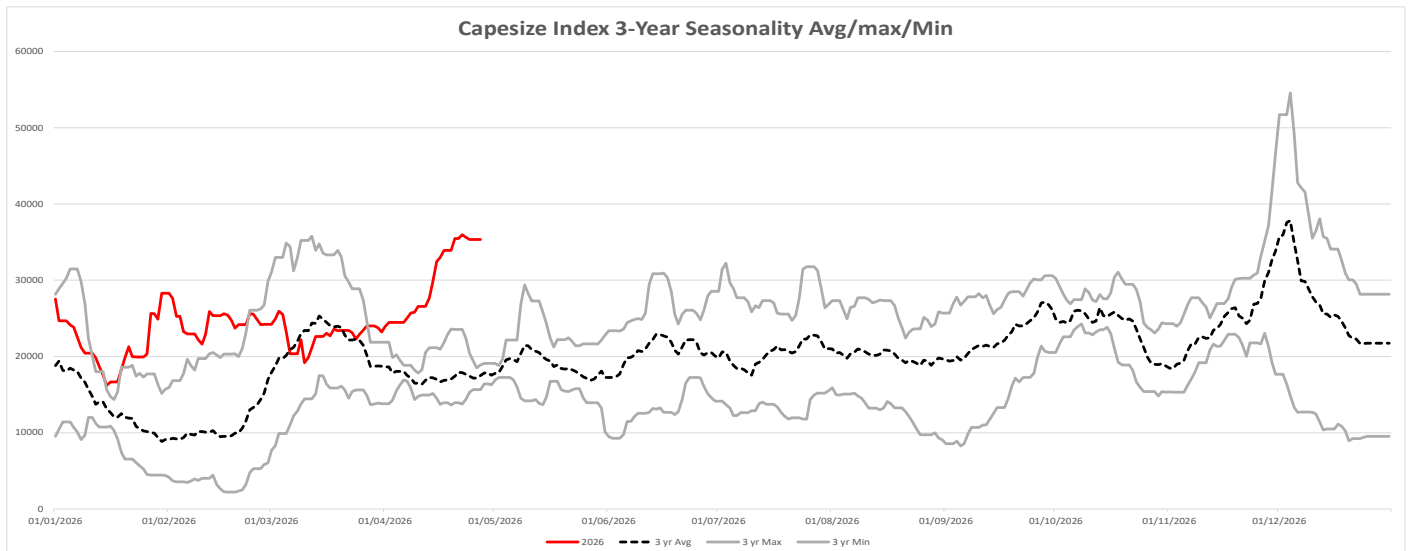
# Capesize Index



	Support	Resistance	Current Price	Bull	Bear
S1	29,579	R1	38,584	RSI above 50	Stochastic overbought
S2	27,595	R2	44,672		
S3	26,183	R3	52,352		

Synopsis Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (79)
- Stochastic is overbought
- Price is below the weekly pivot point (USD 35,556)
- Technical outlook Previously: Downside moves considered as countertrend.
- We noted last week that the upside move above USD 35,000 means that the probability of price trading to a new low had started to decrease, suggesting downside moves should be considered as countertrend, providing we held above the USD 24,732 . However, we did have a note of caution on upside moves in the near-term, as the RSI was at 83, while we had a resistance zone between 86—89, implying buyside momentum could slow down.
- The index has seen a very small move lower. We remain above all key moving averages supported by the RSI above 50.
- Momentum based on price is aligned to the buyside, a close below USD 35,440 would mean it is aligned to the sell side. Downside moves that hold at or above USD 24,904 will support a bull argument, below this level the technical will re-enter bearish territory.
- Technical outlook: Downside moves considered as countertrend.
- Unchanged on the technical this week. We highlighted previously that the upside move above USD 35,000 meant that the probability of price trading to a new low had started to decrease, implying downside moves should be considered as countertrend, providing we hold above the USD 24,904 level . We continue to have a note of caution on upside moves in the near-term; the RSI is now at 79, but we still have the resistance zone between 86—89, implying buyside momentum could slow down as we approach this area.



# Capesize May 26

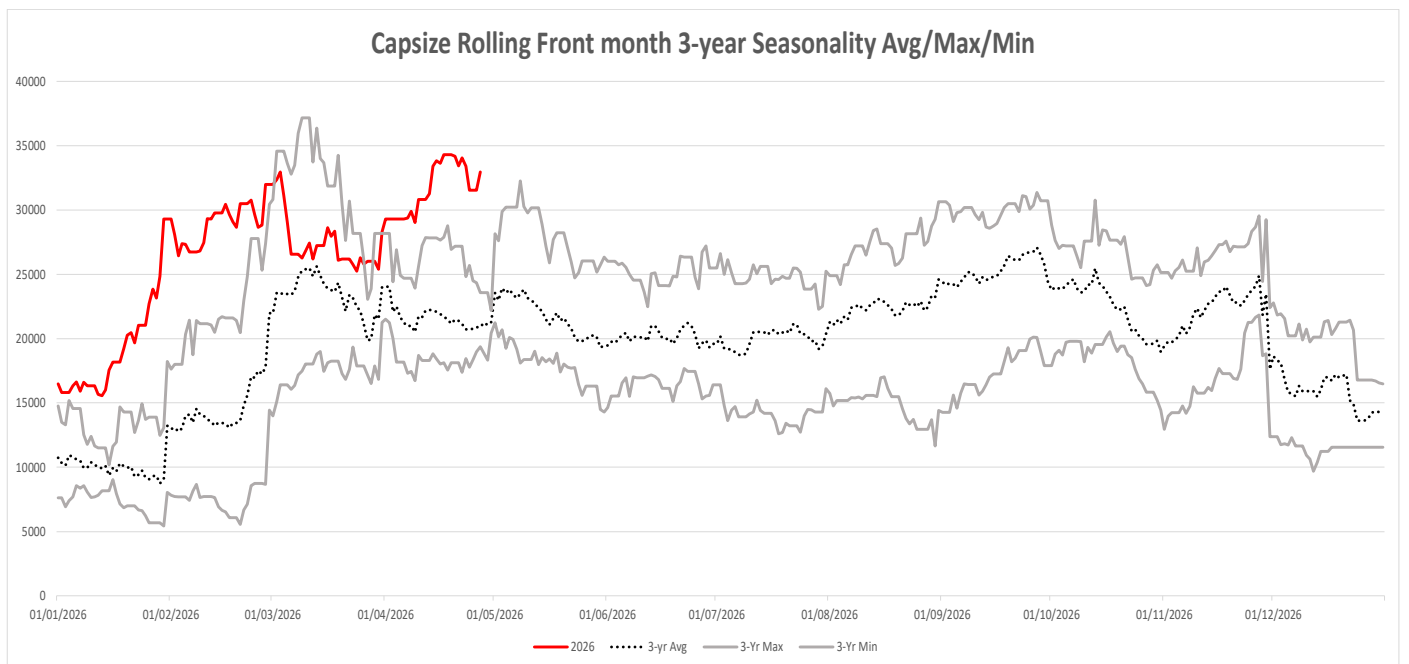


	Support	Resistance	Current Price	Bull	Bear
S1	30,673	R1	34,875	RSI above 50	Stochastic overbought
S2	29,375	R2	36,799		
S3	27,615	R3	40,625		

## Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (60)
- Stochastic is overbought
- Technical Outlook Previously: Downside moves considered as countertrend
- The futures had entered a corrective phase last week due to an intraday divergence with the RSI; however, our Elliott wave analysis continued to suggest that downside moves should be considered as countertrend, making USD 27,615 the key support to follow. Throwbacks below USD 27,615 would be considered as deep, reducing the probability of the futures achieving new highs. The intraday divergence did warn we could see a move lower in the near-term.
- The futures sold to a low of USD 31,250; however, as gap higher on the open today (27/04), has seen price trade to a high of USD 33,825. 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 corrective move lower is holding above the Fibonacci support zone. The RSI has broken support from the 09/04; however, price has not. This is known as a positive reversal and warns of underlying strength in the market. Our Elliott wave analysis implies downside moves should be considered as countertrend, while the positive reversal pattern warns that the USD 34,875 fractal high could be tested and broken.



# Capesize Q3 26

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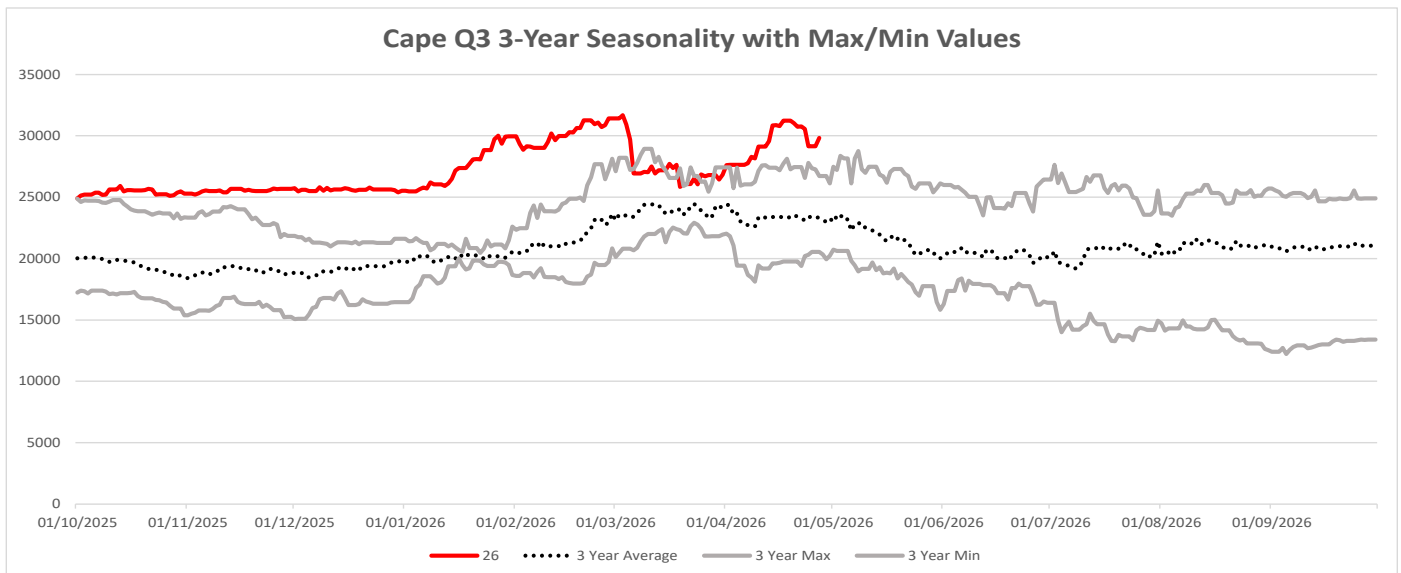


Support	Resistance	Current Price	Bull	Bear
S1	R1	30,000	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

## Synopsis

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is above 50 (54)
- Stochastic is overbought
- Technical outlook Previously: Bullish—Caution on downside moves.
- We noted last week that with no significant pullback since the previous report, we maintained our view based on the bullish momentum confirmation previously that downside moves should be considered as countertrend. The RSI moving average continued to imply that momentum remained supported; however, a bearish pin-bar candle on the 15/04 near the USD 31,875 resistance warned that support levels could come under pressure in the near-term. USD 27,094 was the key support to monitor, throwbacks below this level would reduce the probability of price trading to a new high.
- The futures sold to a low of USD 28,750 on the bearish pin-bar candle; however, price is seeing bid support today (27/04). We are between the 8-21 period EMA's 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.
- The current candle is trading within the body of the candle on Friday, suggesting we will have a bullish Harami pattern on the close today. This is a warning pattern that sell side momentum is slowing and could potentially be about to reverse. Confirmation from further bullish closes will leave the USD 31,500 high vulnerable. Conversely, a daily close below USD 29,325 will signal that sell-side pressure is on the increase.



# Capesize Cal 27

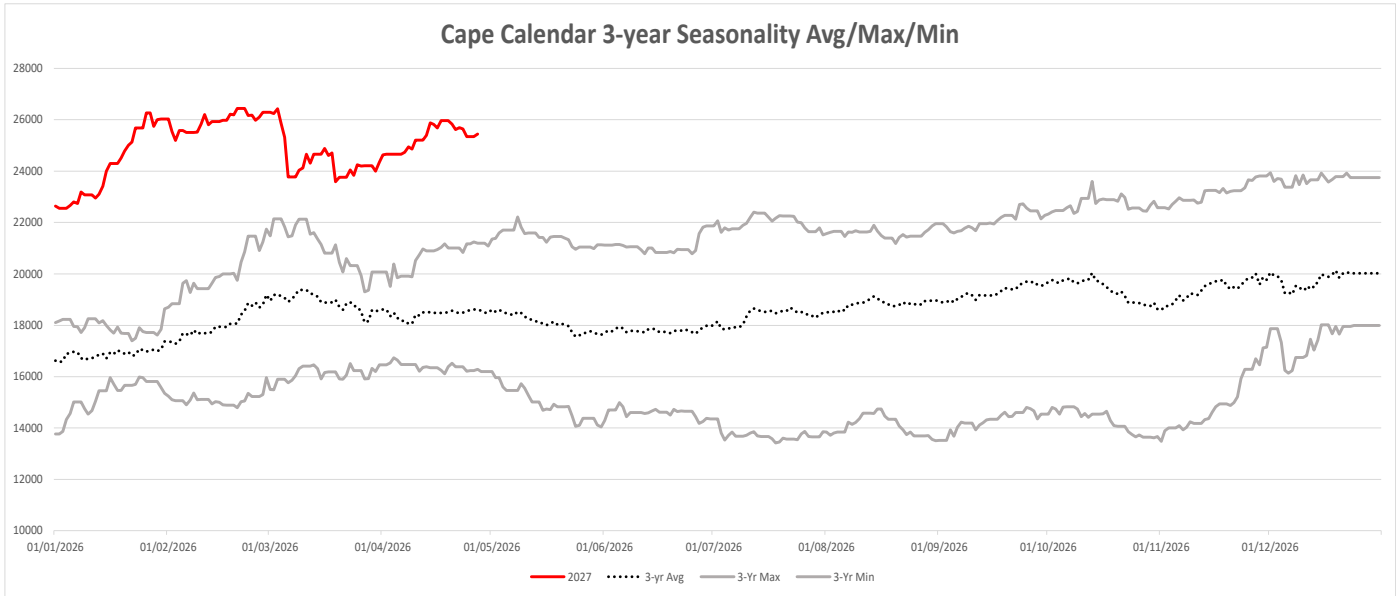


	Support	Resistance	Current Price	Bull	Bear	
S1	23,529	R1	25,725	RSI above 50	Stochastic overbought	
S2	23,025	R2				26,550
S3	22,550	R3				27,501

## Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (56)
- Stochastic is overbought
- Technical Outlook last week: Downside moves considered as countertrend.
- We noted previously that the upside move above the USD 25,351 resistance had reduced the probability of the futures trading to a new low, suggesting downside moves should be considered as countertrend. Price was starting to sell lower; however, the RSI and price had continued to move new highs, indicating bullish momentum, supporting our analysis that downside moves had a higher probability of being countertrend.
- Having sold to a low of USD 25,125 the futures are seeing light bid support off the 55-period SMA. 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: Downside moves considered as countertrend.
- We maintain our view based on the bullish momentum confirmation previously that downside moves should be considered as countertrend. A close above the high of the low candle from Friday at USD 25,625 will signal buy-side pressure is on the increase. Further confirmation of increasing momentum support will come from the RSI closing back above its moving average. Evidence of emerging support warns that resistance could come under pressure.



# Capesize C5 May 26 (Heikin Ashi Chart)



	Support	Resistance	Current Price	Bull	Bear
S1	12.78	R1	13.81	RSI above 50	Stochastic overbought
S2	12.27	R2	14.48		
S3	11.64	R3	15.15		

## 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: Minor negative divergence in play
- The upside move to a new high last week meant that we had a minor negative divergence in play. Not a sell signal, it is warned that we could see a momentum slowdown, which needed to be monitored. However, if the divergence fails, then the bullish momentum confirmation would warn that resistance could come under further pressure. Throwbacks that held at or above USD 12.27 would support a bull argument, below this level the probability of price trading to a new high would begin to decrease. While in divergence, the technical warranted a cautious approach on higher moves.
- The futures sold to a low of USD 12.85; however, like the rest of the Capesize complex, we are seeing signs of buyside support. Price is above all key moving averages with 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: Momentum support.
- Having sold lower on the minor divergence previously, we are now seeing light bid support as the RSI is holding support. If the RSI breaks support, then we have a positive reversal pattern in play, warning resistance levels could be tested and broken. Due to the potential positive reversal pattern, we are currently cautious on downside moves while above the USD 12.27 level.

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