FIS Capesize Technical Report

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Index

Technical outlook: Inflection point

The index is approaching key resistance at USD 40,435, if broken, then the probability of the futures trading to a new low would begin to decrease. Conversely, if rejected, the corrective phase has the potential to become more complex. The RSI resistance break does signal an increase in buyside pressure, as does the bullish momentum confirmation, while the RSI is now above the 60 level. If we hold above it, then key resistance is likely to be broken. Market bulls should act with caution if the RSI drops below 60 having failed to breach the USD 40,435 resistance. Likewise, if we see a close below the weekly pivot level at USD 37,665, it will signal that sell side pressure is increasing.

Aug 26

Technical Outlook: Supported

The RSI is holding above the 60 level, warning that momentum is supported, meaning resistance levels remain vulnerable. We continue to identify USD 36,482 as a key level to follow; if rejected, then the corrective phase has the potential to become more complex; conversely, if breached, the probability of price trading to a new low would begin to decrease. Market buyer's should be cautious on a close below the low of the last dominant bull candle at USD 33,325, as it will signal sell side pressure is on the increase.

Q4 26

Technical outlook: Downside moves considered as countertrend.

Unchanged on the technical this week. The futures remain supported with the RSI holding above the 70 level, indicating we remain in a trending environment, as does the ADX 39, suggesting downside moves should be considered as countertrend. Market bulls should be cautious on throwbacks that breach the USD 32,504 support, as it will reduce the probability of price trading to a new high.

Cal 27

Technical Outlook: downside moves considered as countertrend

Like the Q4 26 we have seen no significant pullback in price this week. The RSI is holding above the 70 level while the ADX is above 25, indicating we remain in a trending environment, suggesting downside moves should be considered as countertrend. Throwbacks that hold at or above USD 27,052 will leave resistance levels vulnerable; conversely, if breached, then the probability of price trading to a new high would begin to decrease.

C5 Aug 26

Technical outlook: Upside moves considered as countertrend

The futures remain supported with price above the 55-period EMA. The ADX at 35 remains in a trending environment at this point; however, it is starting to slow down. If the ADX turns to the upside, it will warn that buyside pressure is intensifying, leaving the USD 13.50—USD 14.89 resistance levels vulnerable. Price is moving higher from below the USD 11.64 fractal support, warning the pullback should be considered as countertrend, providing the USD 13.50 resistance is not breached. If the RSI reclaims 60 and the ADX turns higher, market sellers should act with caution.

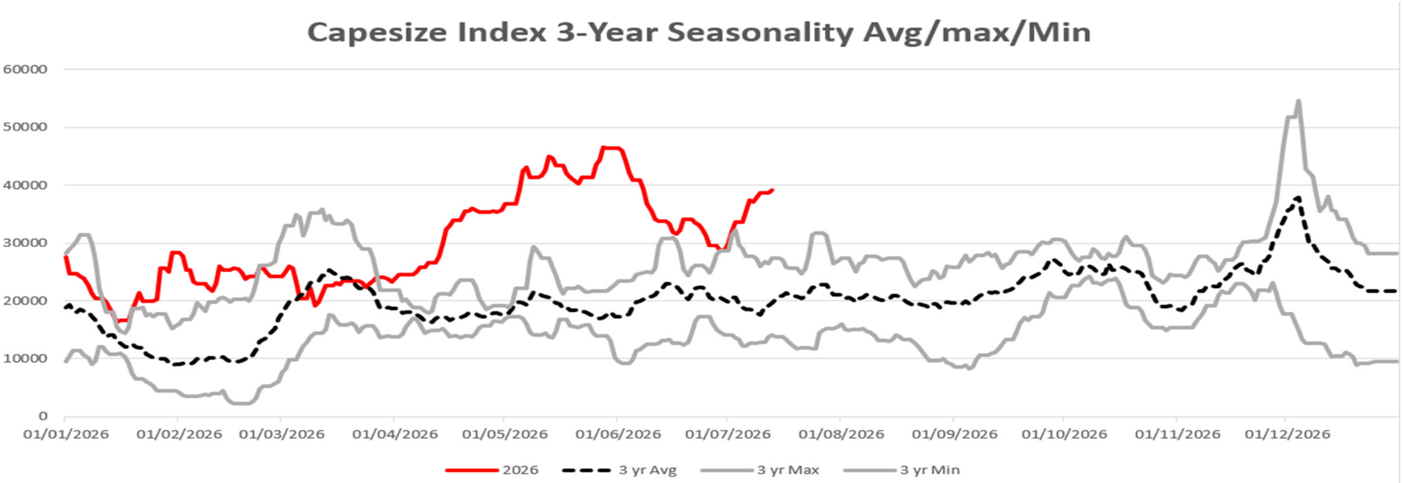
Capesize Index

Support		Resistance		Current Price	Bull	Bear
S1	37,910	R1	40,435	39,138	RSI above 50	Stochastic overbought
S2	29,578	R2	42,696			
S3	28,487	R3	46,538			

Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (63)
- Stochastic is overbought
- Price is above the weekly pivot point (USD 37,665)
- Technical outlook Previously: Buyside pressure increasing
- We noted last week that the throwback had held above the USD 28,487 level, implying there was an underlying support in the market, resulting in price moving higher. We identified USD 40,435 as the key resistance to follow, pullbacks that failed at or below this level would warn that the corrective phase could become more complex. Both price and the RSI were making new highs, meaning we had bullish momentum confirmation, we also noted that the RSI was breaking trend resistance at 51; if the trend break held, then resistance could come under further pressure.
- The index continues to move higher, 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 38,118 would mean it is aligned to the sell side. Downside moves that hold at or above USD 28,487 would support a bull argument, below this level the technical would re-enter bearish territory.
- Technical outlook: Inflection point
- The index is approaching key resistance at USD 40,435, if broken, then the probability of the futures trading to a new low would begin to decrease. Conversely, if rejected, the corrective phase has the potential to become more complex. The RSI resistance break does signal an increase in buyside pressure, as does the bullish momentum confirmation, while the RSI is now above the 60 level. If we hold above it, then key resistance is likely to be broken. Market bulls should act with caution if the RSI drops below 60 having failed to breach the USD 40,435 resistance. Likewise, if we see a close below the weekly pivot level at USD 37,665, it will signal that sell side pressure is increasing.



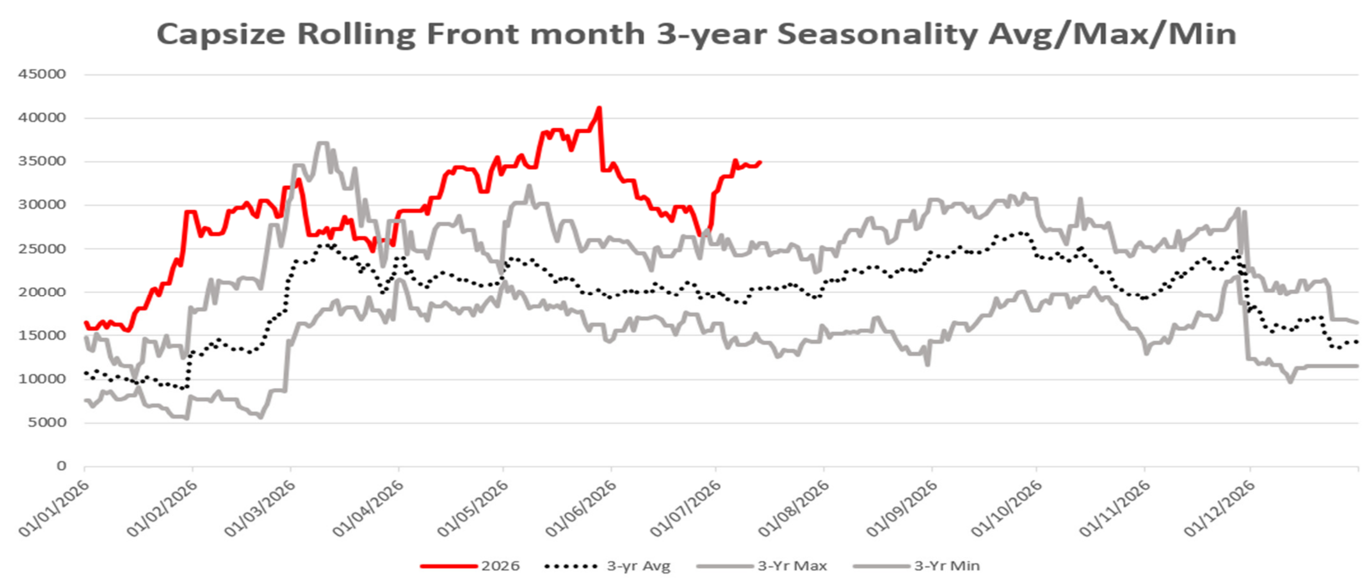
Capesize Aug 26

Support		Resistance		Current Price	Bull	Bear
S1	32,216	R1	36,482	35,175	RSI above 50	Stochastic overbought
S2	31,125	R2	38,388			
S3	29,645	R3	41,625			

Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (61)
- Stochastic is overbought
- Technical Outlook Previously: Buyside pressure increasing
- We noted last week that the move below USD 29,167 took the technical into neutral territory; however, the bid support was replicated by the RSI signaling bullish momentum confirmation. We also noted that the RSI had moved above 60; if we held above the 60 level it would signal an increase in buyside pressure. Strong bull candles having failed to hold below the 200-period MA implied momentum was supported, warning that the USD 36,482 resistance was vulnerable. This was a key level, if rejected, it would warn that the corrective phase could become more complex.
- The futures remain supported but have failed to move higher. We are above all key moving averages with the RSI above 50.
- Upside moves that fail at or below USD 36,482 will leave the technical vulnerable to further tests to the downside, above this level we will re-enter bullish territory.
- Technical Outlook: Supported
- The RSI is holding above the 60 level, warning that momentum is supported, meaning resistance levels remain vulnerable. We continue to identify USD 36,482 as a key level to follow; if rejected, then the corrective phase has the potential to become more complex; conversely, if breached, the probability of price trading to a new low would begin to decrease. Market buyer's should be cautious on a close below the low of the last dominant bull candle at USD 33,325, as it will signal sell side pressure is on the increase.



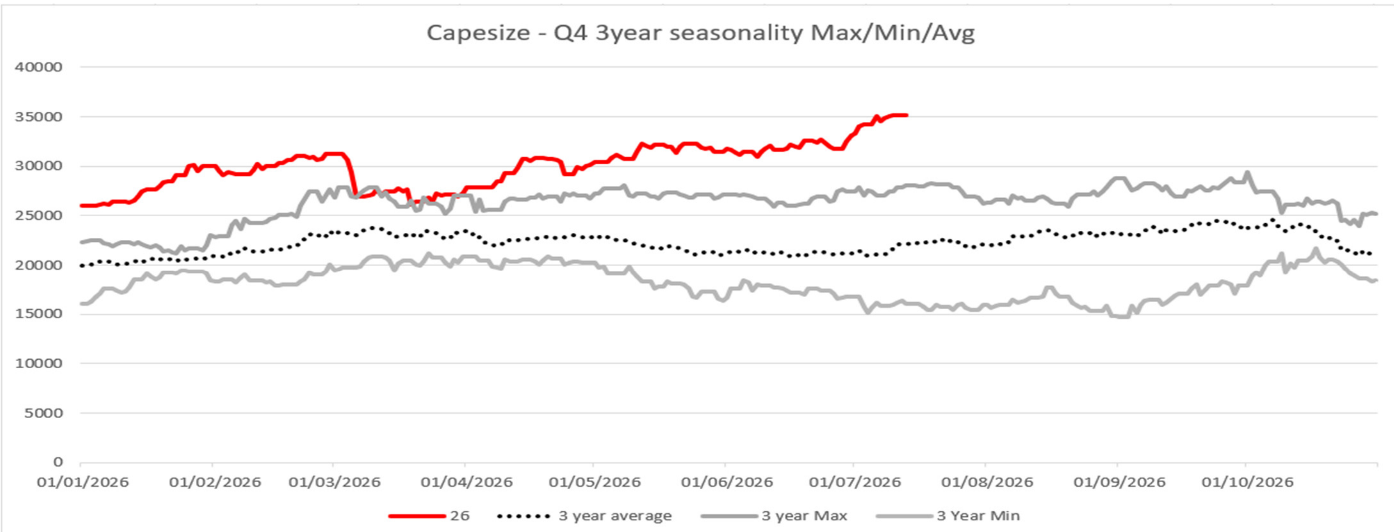
Capesize Q4 26

Support		Resistance		Current Price	Bull	Bear
S1	33,857	R1	36,823	35,575	RSI above 50	Stochastic overbought
S2	33,283	R2	38,450			
S3	32,504	R3	40,502			

Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (74)
- Stochastic is above 50
- Technical outlook Previously: Downside moves considered as countertrend.
- The upside move to new highs was replicated by the RSI last week, meaning we had bullish momentum confirmation. We also noted that the RSI was above the 70 level, supporting a trending environment, warning downside moves should be considered as counter-trend. We identified USD 32,439 as a key near-term support to follow, throwbacks that broke this level would reduce the probability of price trading to a new high.
- Price remained supported having produced no significant pullback. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 32,504 will support a longer-term bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Downside moves considered as countertrend.
- Unchanged on the technical this week. The futures remain supported with the RSI holding above the 70 level, indicating we remain in a trending environment, as does the ADX 39, suggesting downside moves should be considered as countertrend. Market bulls should be cautious on throwbacks that breach the USD 32,504 support, as it will reduce the probability of price trading to a new high.



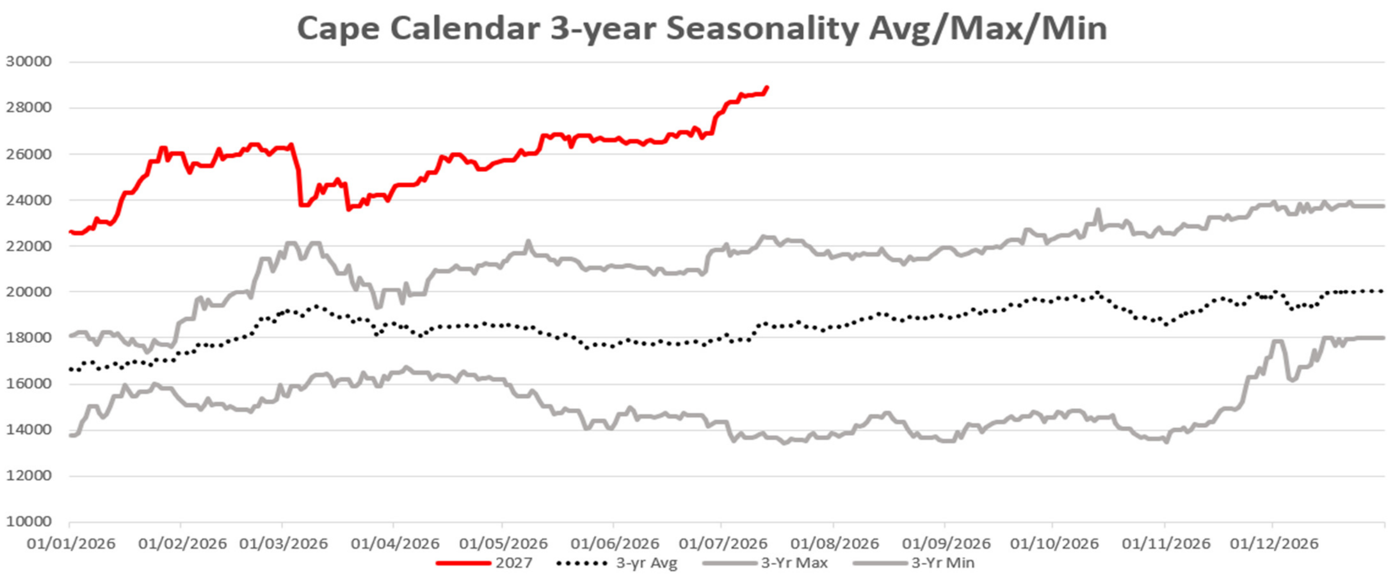
Capesize Cal 27

Support		Resistance		Current Price	Bull	Bear
S1	27,820	R1	29,177	28,875	RSI above 50	Stochastic overbought
S2	27,052	R2	30,006			
S3	26,113	R3	31,053			

Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (74)
- Stochastic is overbought
- Technical Outlook last week: downside moves considered as countertrend
- The upside moves to new highs last week resulted in bullish momentum confirmation, we also noted that the RSI had broken the 60 level and had moved above 70, supporting a trending environment. This suggested that throwbacks should be considered as countertrend, providing we remained above the USD 27,018 level. Below USD 27,018, the probability of price trading to a new high would begin to decrease.
- The futures remain supported with price seeing a small move higher, we are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 27,052 would support a bull argument, below this level will the technical would have a neutral bias.
- Technical Outlook: downside moves considered as countertrend
- Like the Q4 26 we have seen no significant pullback in price this week. The RSI is holding above the 70 level while the ADX is above 25, indicating we remain in a trending environment, suggesting downside moves should be considered as countertrend. Throwbacks that hold at or above USD 27,052 will leave resistance levels vulnerable; conversely, if breached, then the probability of price trading to a new high would begin to decrease.



Capesize C5 Aug 26 (Heiken Ashi Chart)

Support		Resistance		Current Price	Bull	Bear
S1	11.64	R1	12.85	12.75	RSI above 50	
S2	10.76	R2	13.50			
S3	10.01	R3	14.89			

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 above 50
- Technical outlook Previously: Upside moves considered as countertrend
- We noted last week that the downside move below the USD 11.64 fractal support means price had entered bearish territory. The ADX was at 25 (correction 42, I gave the DMI reading), meaning we remained in a trending environment; however, the ADX was moving lower, warning the upside move is potentially countertrend. On the buyside, the RSI was above 50, indicating we have positive velocity and acceleration. If the USD 13.50 resistance was to be tested, we needed to see a close and hold above the 55-period EMA at USD 12.30; a rejection of the average will signal further weakness in the technical.
- The futures closed below the 55-period EMA at USD 12.35, we are now above all key moving averages supported by the RSI above 50.
- Upside moves that fail at or below USD 13.50 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technical outlook: Upside moves considered as countertrend
- The futures remain supported with price above the 55-period EMA. The ADX at 35 remains in a trending environment at this point; however, it is starting to slow down. If the ADX turns to the upside, it will warn that buyside pressure is intensifying, leaving the USD 13.50—USD 14.89 resistance levels vulnerable. Price is moving higher from below the USD 11.64 fractal support, warning the pullback should be considered as countertrend, providing the USD 13.50 resistance is not breached. If the RSI reclaims 60 and the ADX turns higher, market sellers should act with caution.