FIS

Capesize Technical Report

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Index

Technical outlook: Supported

The failure to trade lower has resulted in a bullish trend support line forming at USD 35,839; a close and hold below the support line will signal an increase in sell side pressure. Conversely, if the current throwback holds above the support line, then resistance will remain vulnerable. The upside breach above the USD 40,435 resistance warns that the probability of the index trading to a new low has started to decrease, suggesting there is an underlying support in the market.

Sep 26

Technical Outlook: (supported) A minor negative divergence is in play

The upside move above the USD 39,875 fractal resistance has resulted in a minor negative divergence with the RSI. This is a condition; it is not a sell signal but will need to be monitored. The move above the USD 36,482 resistance means that the probability of the futures trading to a new low has started to decrease. We look to be on a lower timeframe Elliott wave 5, implying the move is motive, not corrective. This suggests that the USD 41,625 resistance remains vulnerable. Throwbacks that hold at or above USD 31,175 will support a longer-term buyer's argument. Technically bullish, the divergence needs to be monitored.

Q4 26

Technical outlook: Downside moves considered as countertrend.

The futures remain in a bullish Elliott wave extension with price looking like it is on the 5th wave of a higher timeframe wave 3, implying downside moves should be considered as countertrend, providing we remain above the USD 34,109 support. Fibonacci projection levels suggest that we could trade as high as USD 40,801 within this phase of the cycle; however, a small note of caution is needed due to this being an Elliott 5th wave of a lower degree. You can see labelled that this looks to be a wave extension within a wave extension.

Cal 27

Technical Outlook: downside moves considered as countertrend

The futures remain in a bullish trending environment supported by the ADX at 43. Our Elliott wave analysis continues to suggest that downside moves should be considered as countertrend, providing throwbacks hold above the USD 27,848 Fibonacci support. A move below USD 29,625 would signal the futures are entering a corrective phase within a larger bullish trend.

C5 Sep 26

Technical outlook: Buyside pressure increasing.

The move above the USD 13.50 means that the probability of price trading to a new low has started to decrease. The RSI has now breached the 70 level, signaling the technical has momentum support, meaning the USD 14.89 fractal high is starting to look vulnerable. Market buyers should be cautious on a close below the USD 13.80 fractal support, as it will warn that the futures are entering a corrective phase. The ADX at 32 implies that price is currently in a bullish trending environment.

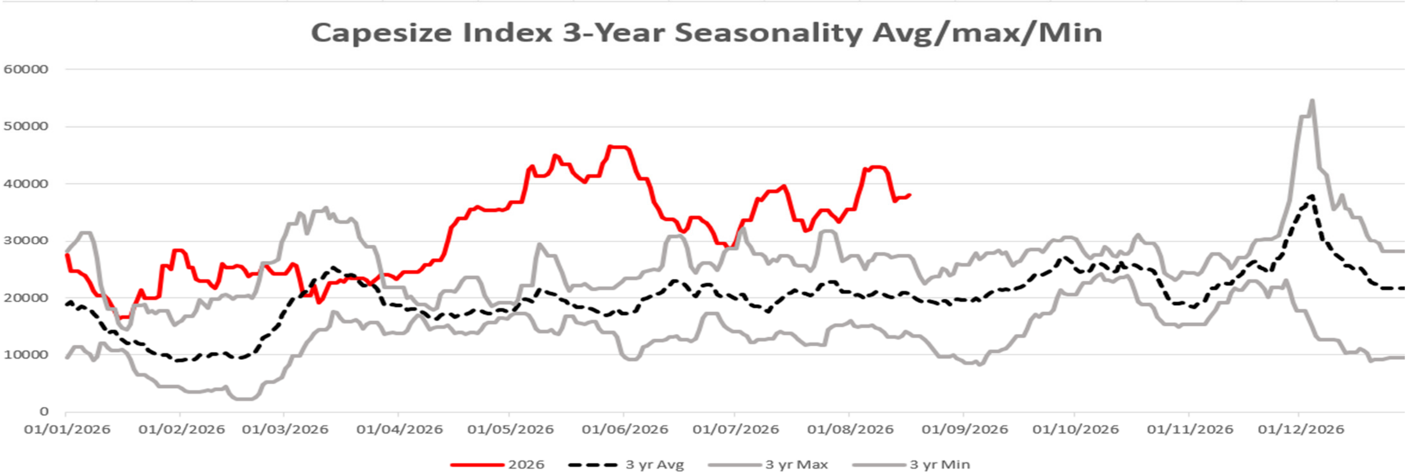
Capesize Index

Support		Resistance		Current Price	Bull	Bear
S1	35,839	R1	42,696	38,122	RSI above 50	
S2	33,384	R2	46,538			
S3	31,768	R3	51,384			

Synopsis

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is above 50 (51)
- Stochastic is above 50
- Price is below the weekly pivot point (USD 35,629)
- Technical outlook Previously: sell side pressure increasing.
- We noted previously that the rejection of the USD 40,435 resistance had been supported by the RSI selling back below 60, signaling sell-side pressure was increasing. The upside rejection warned that the USD 28,588 fractal low could be tested and broken due to the corrective phase becoming complex.
- The index failed to trade low with the RSI holding the trend support line, resulting in price trading to a high of USD 43,009 before entering a corrective phase. Price is below the 8-21 period EMA's with the RSI near-neutral at 51.
- Momentum based on price is aligned to the sell side, a close above USD 38,158 would mean it is aligned to the buyside. 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: Supported
- The failure to trade lower has resulted in a bullish trend support line forming at USD 35,839; a close and hold below the support line will signal an increase in sell side pressure. Conversely, if the current throwback holds above the support line, then resistance will remain vulnerable. The upside breach above the USD 40,435 resistance warns that the probability of the index trading to a new low has started to decrease, suggesting there is an underlying support in the market.



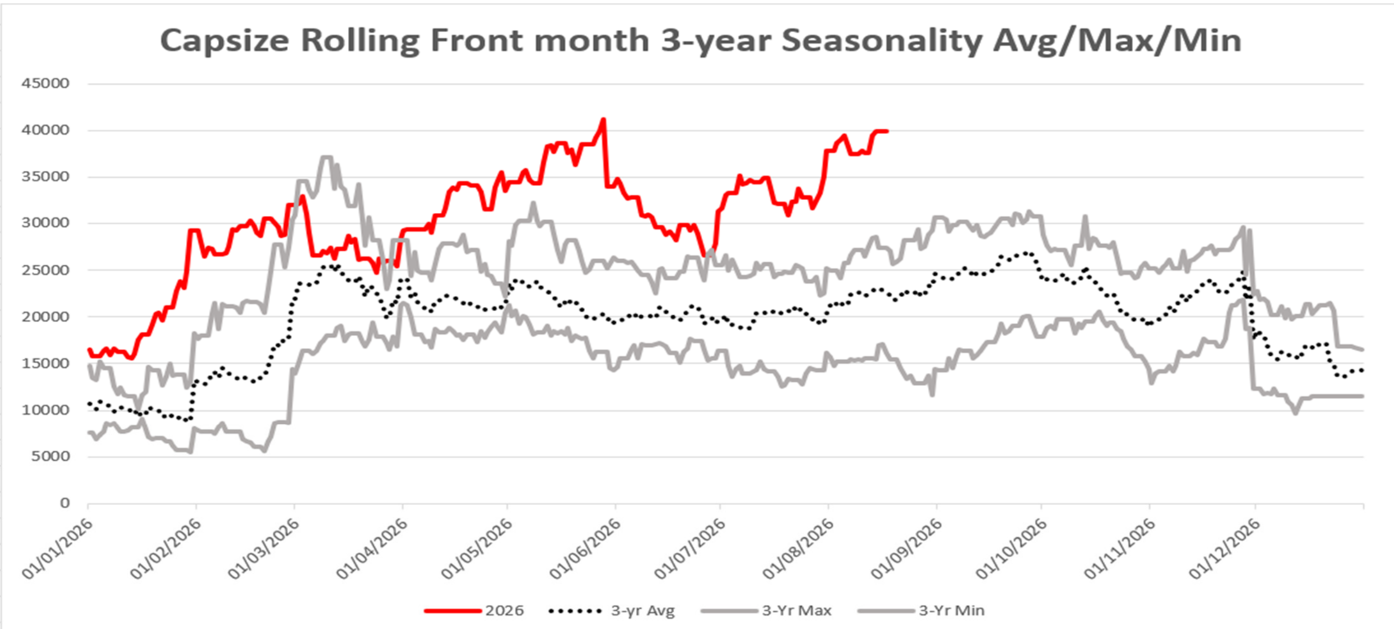
Capesize Sep 26

Support		Resistance		Current Price	Bull	Bear
S1	36,850	R1	41,625	39,875	RSI above 50	Stochastic overbought
S2	34,997	R2	43,487			
S3	33,375	R3	45,053			

Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (67)
- Stochastic is overbought
- Technical Outlook Previously: Sell side pressure increasing
- We noted previously that the upside rejection and close below the low of the last dominant bull candle indicated that we were seeing an increase in sell side pressure, warning the USD 29,687 support was vulnerable. We identified this as the key support to follow; if broken, then the USD 26,500 fractal low could be tested. Conversely, failure to breach the USD 29,687 level would warn there is an underlying support in the market. If the RSI moved and holds below the 40 level, it would warn that the technical could deteriorate further. USD 29,687 was the key level to follow.
- The futures held above the USD 29,687 support while the RSI held above the 40 level, resulting in price moving higher. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 31,175 will support a bull argument, below this level the technical will have a neutral bias.
- Technical Outlook: (supported) A minor negative divergence is in play
- The upside move above the USD 39,875 fractal resistance has resulted in a minor negative divergence with the RSI. This is a condition; it is not a sell signal but will need to be monitored. The move above the USD 36,482 resistance means that the probability of the futures trading to a new low has started to decrease. We look to be on a lower timeframe Elliott wave 5, implying the move is motive, not corrective. This suggests that the USD 41,625 resistance remains vulnerable. Throwbacks that hold at or above USD 31,175 will support a longer-term buyer's argument. Technically bullish, the divergence needs to be monitored.



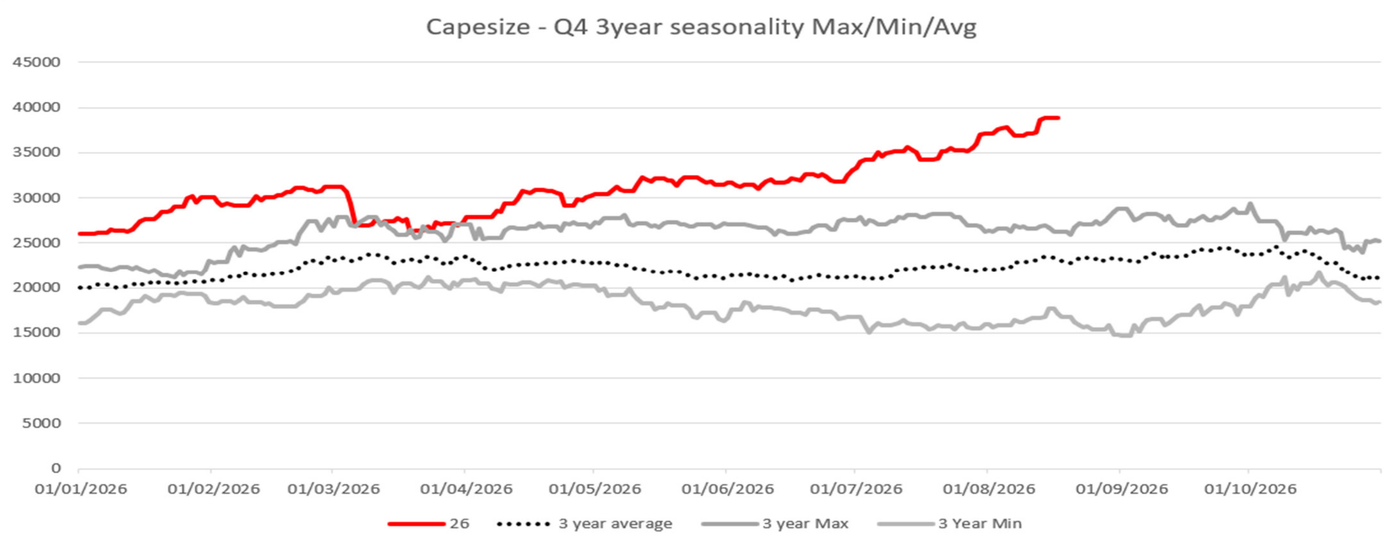
Capesize Q4 26

Support		Resistance		Current Price	Bull	Bear
S1	36,800	R1	40,502	38,875	RSI above 50	Stochastic overbought
S2	36,721	R2	40,801			
S3	35,716	R3	41,353			

Synopsis

Source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is above 50 (56)
- Stochastic is overbought
- Technical outlook Previously: Downside moves considered as countertrend.
- We noted previously that the futures were in a corrective phase resulting with both the RSI and the ADX moving lower; however, the ADX at 28 signaled that the futures remained in a trending environment. Elliott wave analysis suggested that throwbacks should be considered as countertrend, providing we held above the USD 30,821 support. Below this level the probability of price trading to a new high would begin to decrease. Market buyers should act with caution if the RSI closed and holds below the 40 level, as it would warn that the bullish environment was deteriorating.
- The corrective move lower held above key support while the RSI held above 40, resulting in price trading to a new high. We are above all key moving averages with the RSI above 50.
- Downside moves that hold at or above USD 34,109 would support a longer-term bull argument, below this level the technical would have a neutral bias.
- Technical outlook: Downside moves considered as countertrend.
- The futures remain in a bullish Elliott wave extension with price looking like it is on the 5th wave of a higher timeframe wave 3, implying downside moves should be considered as countertrend, providing we remain above the USD 34,109 support. Fibonacci projection levels suggest that we could trade as high as USD 40,801 within this phase of the cycle; however, a small note of caution is needed due to this being an Elliott 5th wave of a lower degree. You can see labelled that this looks to be a wave extension within a wave extension.



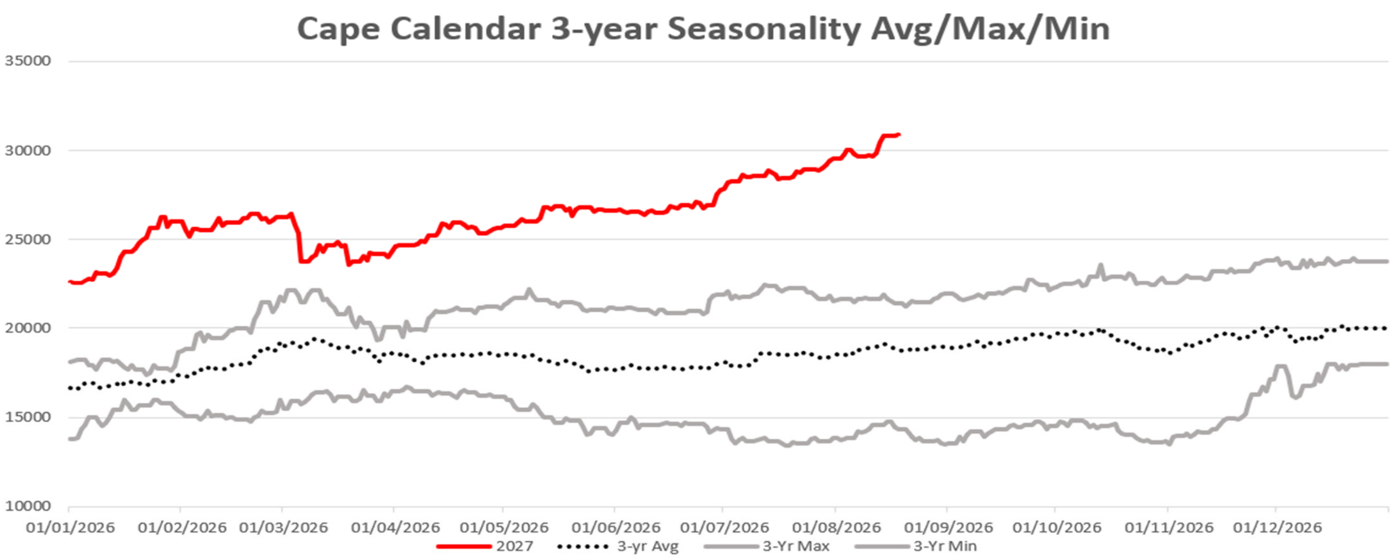
Capesize Cal 27

Support		Resistance		Current Price	Bull	Bear
S1	29,625	R1	31,325	30,875	RSI above 50	Stochastic overbought
S2	29,154	R2	33,566			
S3	28,600	R3	34,495			

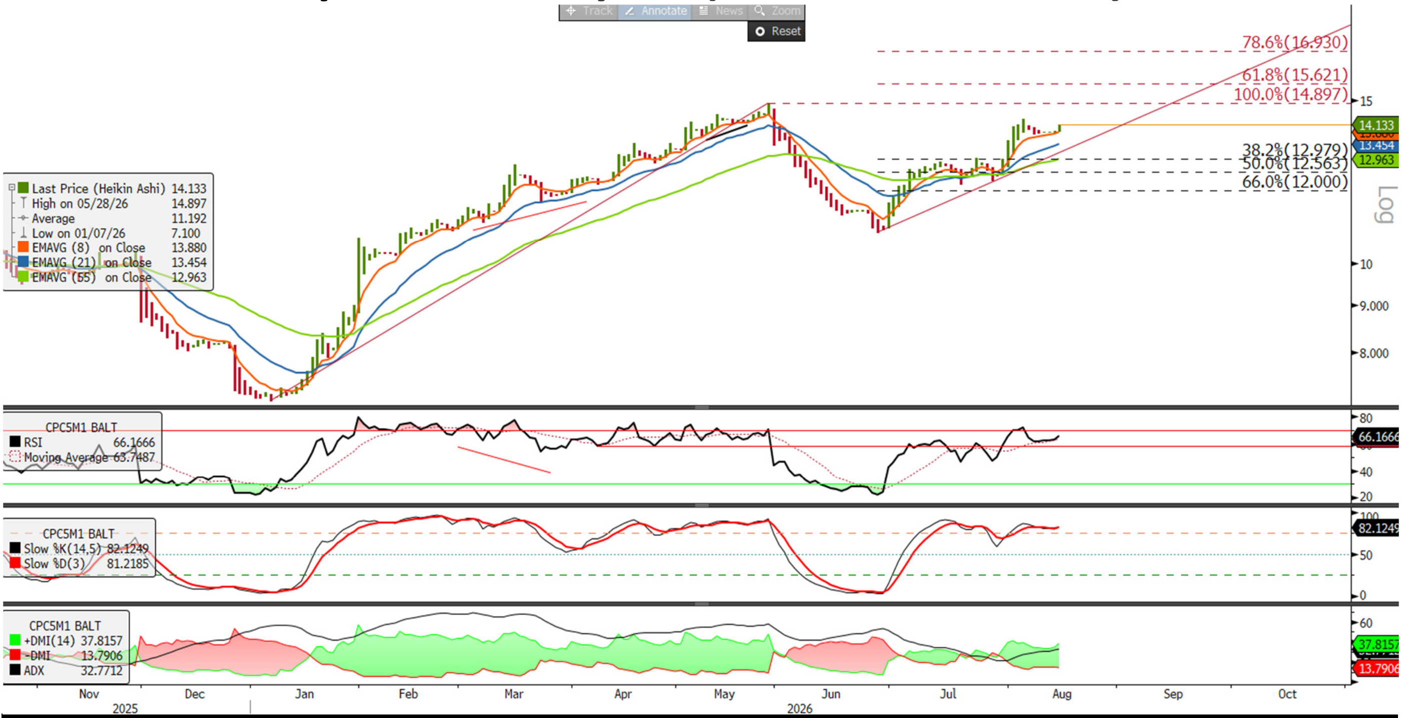
Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (79)
- Stochastic is overbought
- Technical Outlook last week: downside moves considered as countertrend
- Unchanged on the technical previously. Our lower timeframe Elliott wave analysis implied that downside moves should be considered as countertrend, providing we remained above the USD 27,060 support. Below USD 27,060 level the probability of price trading to a new high would begin to decrease. As highlighted previously, the RSI move above the 70 level also warns of momentum supports; however, the RSI would need to hold above the 40 level on corrective pullbacks if we were to maintain bullish momentum. The ADX remained above 25, signaling we are still in a bullish trending environment.
- The futures continued to trade to new highs having seen the RSI breach 70 while the ADX remained in a bullish trending environment. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 27,848 would support a bull argument, below this level will the technical would have a neutral bias.
- Technical Outlook: downside moves considered as countertrend
- The futures remain in a bullish trending environment supported by the ADX at 43. Our Elliott wave analysis continues to suggest that downside moves should be considered as countertrend, providing throwbacks hold above the USD 27,848 Fibonacci support. A move below USD 29,625 would signal the futures are entering a corrective phase within a larger bullish trend.



Capesize C5 Sep 26 (Heiken Ashi Chart)



Support		Resistance		Current Price	Bull	Bear
S1	12.97	R1	14.89	14.35	RSI above 50	Stochastic overbought
S2	12.56	R2	15.62			
S3	12.00	R3	16.93			

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 (66)
- Stochastic is overbought
- Technical outlook Previously: Sell side pressure increasing
- We noted previously that the futures were in the process of rejecting the USD 12.85 resistance, while the RSI had moved below 60. If the RSI crossed below 50 on the close, and we were below the 55-period EMA at USD 12.41, it would signal that sell side pressure was starting to increase. The caveat was that price will need to hold below the 55-period EMA. As highlighted previously, price was moving higher having broken the USD 11.64 fractal support, implying upside moves should in theory be countertrend in the near-term.
- The futures failed to hold below the 55-period EMA resulting in the USD 13.50 resistance being broken, signaling buyside pressure was increasing. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold At or above USD 12.00 will support a bull argument, below this level the probability of price trading to a new high will begin to decrease.
- Technical outlook: Buyside pressure increasing.
- The move above the USD 13.50 means that the probability of price trading to a new low has started to decrease. The RSI has now breached the 70 level, signaling the technical has momentum support, meaning the USD 14.89 fractal high is starting to look vulnerable. Market buyers should be cautious on a close below the USD 13.80 fractal support, as it will warn that the futures are entering a corrective phase. The ADX at 32 implies that price is currently in a bullish trending environment.