FIS

Capesize Technical Report

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Technical outlook: Supported

The downside move failed to hold below the trend support line, while the RSI has held above 40 and reclaimed 50, implying there is an underlying support in the market. A close and hold below the support line at USD 37,423 would signal an increase in sell side pressure, while a breach in the USD 33,384 fractal support would warn that the Fibonacci support zone could come under pressure. Technically supported, resistance levels remain vulnerable at this point.

Sep 26

Technical Outlook: Downside moves considered as countertrend

The upside move to a new high has resulted in the divergence failing, this supports our Elliott wave analysis that implies downside moves should be considered as countertrend on both the lower and higher timeframes. However, throwbacks below USD 40,320 would indicate that price is entering a higher timeframe corrective phase.

Q4 26

Technical outlook: Downside moves considered as countertrend.

Due to the increase in buyside pressure we have had to re label the lower timeframe wave cycles, as it looks to be a wave 3 rather than wave 5. In either scenario, downside moves were to be considered as countertrend, making USD 36,847 the key near-term support to follow. Throwbacks below this level would warn that price is entering a higher timeframe corrective phase.

Cal 27

Technical Outlook: downside moves considered as countertrend

The futures continue to move higher having failed to produce a significant pullback, indicating downside moves should still be considered as countertrend, providing the USD 28,383 Fibonacci support is not breached; if it is, then it would warn that we are entering a higher timeframe corrective phase. The ADX at 51 supports our Elliott wave analysis, as it suggests we are in a strong trending environment.

C5 Sep 26

Technical outlook: downside moves considered as countertrend

Both price and the RSI are making new highs, while the ADX is at 39. Bullish momentum confirmation while in a strong trending environment would suggest that downside moves should be considered as countertrend, providing the USD 13.14 support is not breached. If it is, then the probability of price trading to a new high will begin to decrease.

Capesize Index

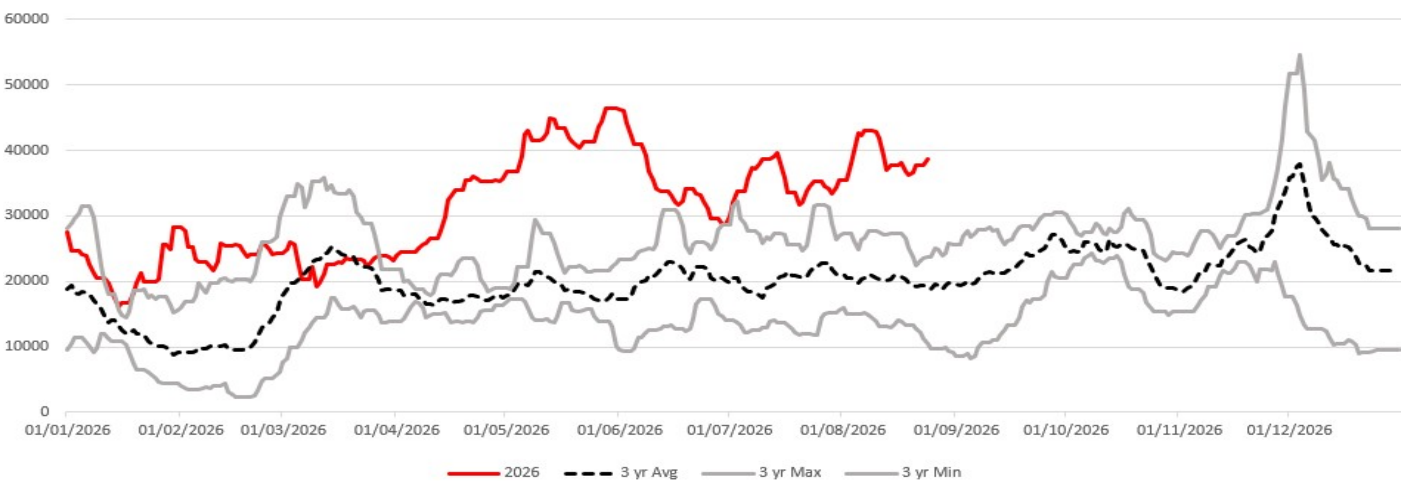
Support		Resistance		Current Price	Bull	Bear
S1	37,423	R1	42,696	38,602	RSI above 50	
S2	33,384	R2	46,538			
S3	31,768	R3	51,384			

Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (53)
- Stochastic is oversold
- Price is below the weekly pivot point (USD 35,629)
- Technical outlook Previously: sell side pressure increasing.
- We noted last week that the failure to trade lower had resulted in a bullish trend support line forming at USD 35,839; a close and hold below the support line would signal an increase in sell side pressure. Conversely, if the current throwback held above the support line, then resistance would remain vulnerable. The upside breach above the USD 40,435 resistance warned that the probability of the index trading to a new low had started to decrease, suggesting there is an underlying support in the market.
- The index tested but failed to hold below the trend support line at USD 37,423, resulting in a small 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 37,444 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: Supported
- The downside move failed to hold below the trend support line, while the RSI has held above 40 and reclaimed 50, implying there is an underlying support in the market. A close and hold below the support line at USD 37,423 would signal an increase in sell side pressure, while a breach in the USD 33,384 fractal support would warn that the Fibonacci support zone could come under pressure. Technically supported, resistance levels remain vulnerable at this point.

Capesize Index 3-Year Seasonality Avg/max/Min



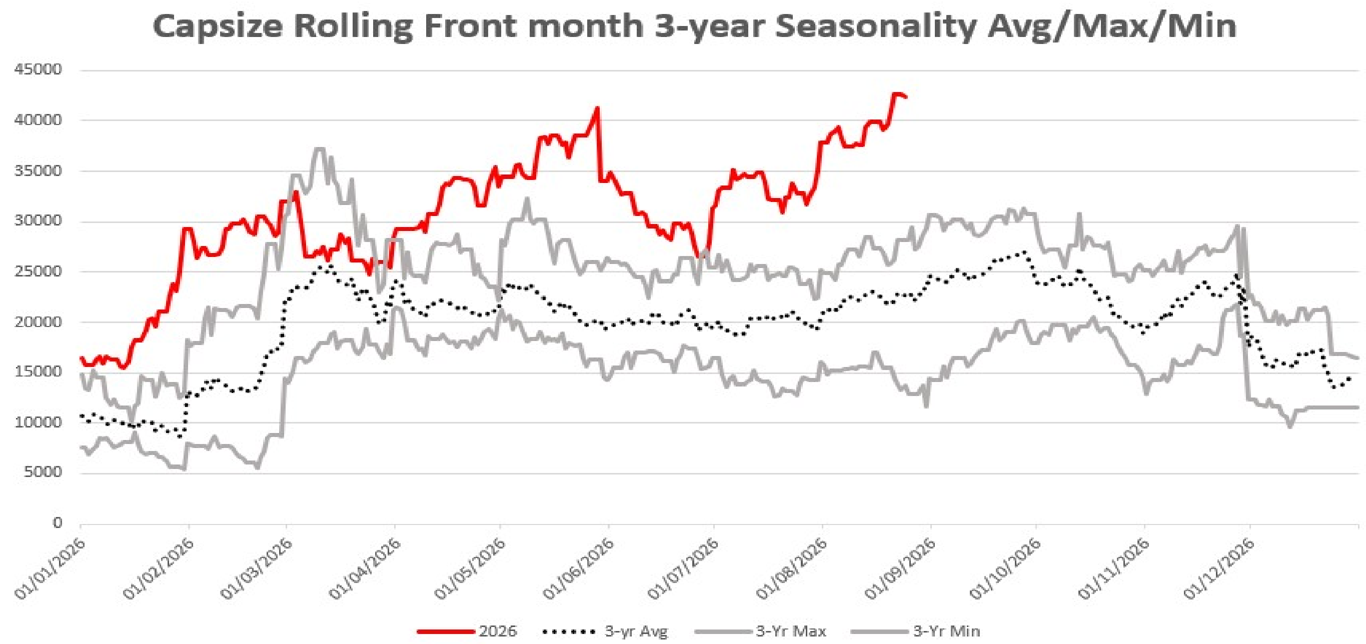
Capesize Sep 26

Support		Resistance		Current Price	Bull	Bear
S1	38,445	R1	43,693	42,325	RSI above 50	Stochastic overbought
S2	37,000	R2	45,881			
S3	35,040	R3	49,425			

Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (71)
- Stochastic is overbought
- Technical Outlook Previously: (supported) A minor negative divergence is in play
- We noted previously that the upside move above the USD 39,875 fractal resistance had resulted in a minor negative divergence with the RSI. A condition, it is not a sell signal but needed to be monitored. The move above the USD 36,482 resistance meant that the probability of the futures trading to a new low had started to decrease. We highlighted that we looked to be on a lower timeframe Elliott wave 5, implying the move is motive, not corrective. This suggested that the USD 41,625 resistance remained vulnerable. Throwbacks that hold at or above USD 31,175 would support a longer-term buyer's argument. Technically bullish, the divergence needs to be monitored.
- The futures trade above the USD 41,625 resistance to a a high at USD 43,125. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 35,040 will support a near-term bull argument, below this level will warn that price is entering a higher timeframe corrective phase.
- Technical Outlook: Downside moves considered as countertrend
- The upside move to a new high has resulted in the divergence failing, this supports our Elliott wave analysis that implies downside moves should be considered as countertrend on both the lower and higher timeframes. However, throwbacks below USD 40,320 would indicate that price is entering a higher timeframe corrective phase.



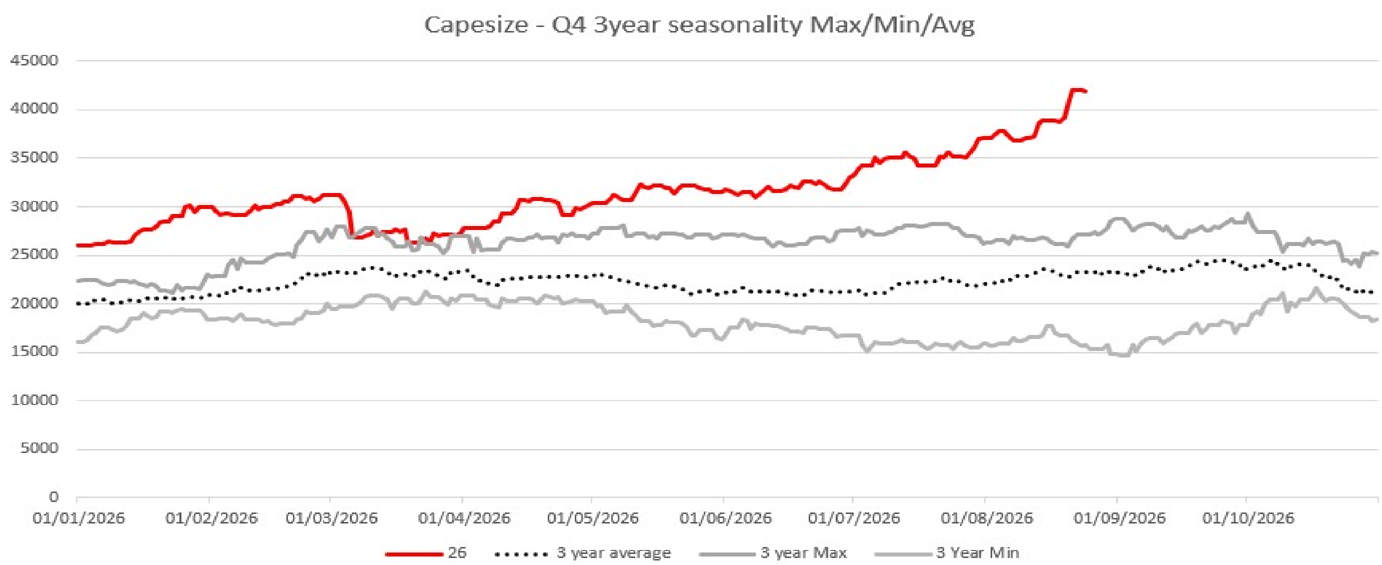
Capesize Q4 26

Support		Resistance		Current Price	Bull	Bear
S1	39,175	R1	43,146	41,925	RSI above 50	Stochastic overbought
S2	38,187	R2	46,050			
S3	36,847	R3	48,953			

Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA’s
- RSI is above 50 (86)
- Stochastic is overbought
- Technical outlook Previously: Downside moves considered as countertrend.
- We noted last week that the futures remained in a bullish Elliott wave extension with price looking like it was on the 5th wave of a higher timeframe wave 3, implying downside moves should be considered as countertrend, providing we remained above the USD 34,109 support. Fibonacci projection levels suggested that we could trade as high as USD 40,801 within this phase of the cycle; however, a small note of caution was needed due to this being an Elliott 5th wave of a lower degree. You could see labelled that this looked to be a wave extension within a wave extension.
- Further acceleration in the futures to new highs suggest that the lower timeframe wave cycle is on a 3, not a 5. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 36,847 would support a bull argument, below this level the lower timeframe cycle would have a neutral bias.
- Technical outlook: Downside moves considered as countertrend.
- Due to the increase in buyside pressure we have had to re label the lower timeframe wave cycles, as it looks to be a wave 3 rather than wave 5. In either scenario, downside moves were to be considered as countertrend, making USD 36,847 the key near-term support to follow. Throwbacks below this level would warn that price is entering a higher timeframe corrective phase.



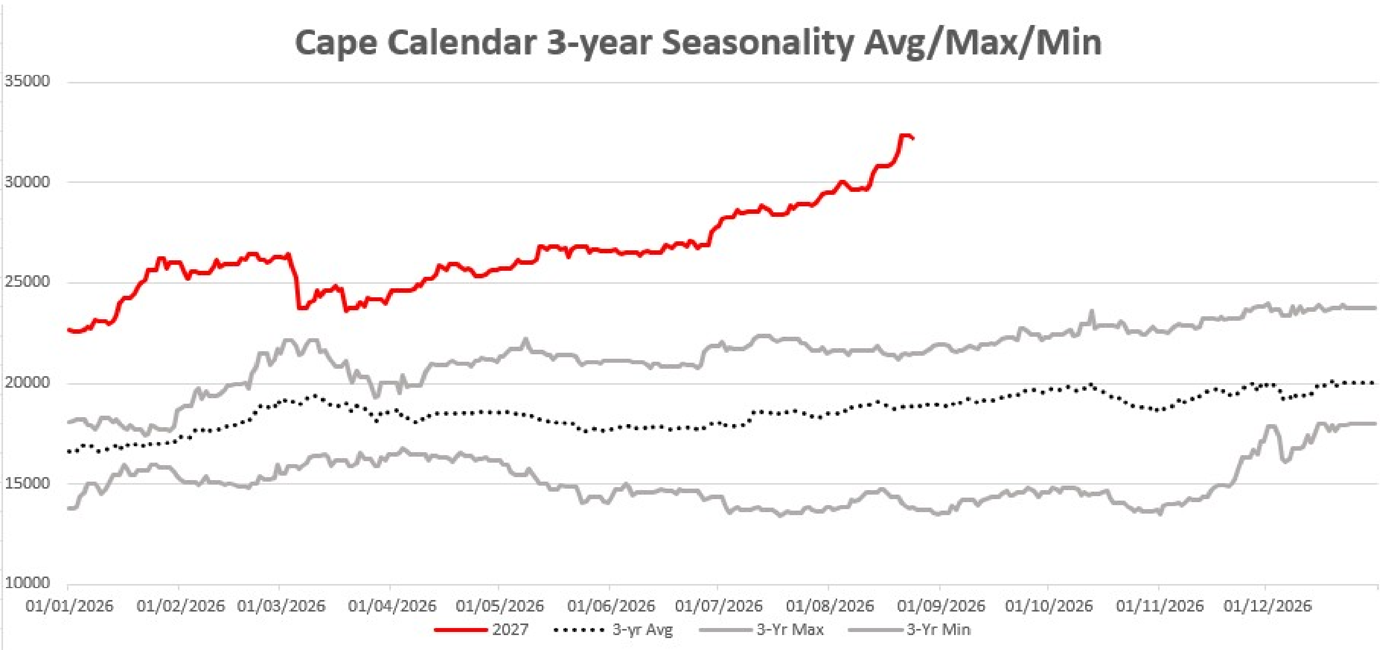
Capesize Cal 27

Support		Resistance		Current Price	Bull	Bear
S1	30,127	R1	33,566	32,200	RSI above 50	Stochastic overbought
S2	29,387	R2	34,495			
S3	28,385	R3	36,454			

Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (84)
- Stochastic is overbought
- Technical Outlook last week: downside moves considered as countertrend
- The futures remained in a bullish trending environment last week supported by the ADX at 43. Our Elliott wave analysis continued to suggest that downside moves should be considered as countertrend, providing throwbacks held above the USD 27,848 Fibonacci support. A move below USD 29,625 would signal the futures were entering a corrective phase within a larger bullish trend.
- The futures continued to trade to at new highs. Price is above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 28,383 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 continue to move higher having failed to produce a significant pullback, indicating downside moves should still be considered as countertrend, providing the USD 28,383 Fibonacci support is not breached; if it is, then it would warn that we are entering a higher timeframe corrective phase. The ADX at 51 supports our Elliott wave analysis, as it suggests we are in a strong trending environment.



Capesize C5 Sep 26 (Heiken Ashi Chart)

Support		Resistance		Current Price	Bull	Bear
S1	13.92	R1	15.62	14.95	RSI above 50	Stochastic overbought
S2	13.14	R2	16.93			
S3	12.19	R3	18.59			

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 (74)
- Stochastic is overbought
- Technical outlook Previously: Buyside pressure increasing.
- Last week we noted that the move above the USD 13.50 meant that the probability of price trading to a new low had started to decrease. The RSI had now breached the 70 level, signaling the technical had momentum support, meaning the USD 14.89 fractal high was starting to look vulnerable. Market buyers should be cautious on a close below the USD 13.80 fractal support, as it would warn that the futures were entering a corrective phase. The ADX at 32 implied that price is currently in a bullish trending environment.
- The futures have traded to new highs on the increase in buyside pressure. Price is above all key moving averages supported by the RSI above 50.
- Downside moves that hold At or above USD 13.14 will support a bull argument, below this level the probability of price trading to a new high will begin to decrease.
- Technical outlook: downside moves considered as countertrend
- Both price and the RSI are making new highs, while the ADX is at 39. Bullish momentum confirmation while in a strong trending environment would suggest that downside moves should be considered as countertrend, providing the USD 13.14 support is not breached. If it is, then the probability of price trading to a new high will begin to decrease.