FIS

Capesize Technical Report

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Index

Technical outlook: Downside moves considered as countertrend

The upside moves to new highs has been replicated by the RSI, meaning we have bullish momentum confirmation. We also note that the RSI has moved back above the 70 level, this also signals momentum strength, implying downside moves have a greater probability of being countertrend. Throwbacks that hold at or above USD 42,218 will support a buyers argument, below this level the technical will have a neutral bias.

Oct 26

Technical Outlook: Downside moves considered as countertrend

The upside move to new highs resulted in a bullish lower timeframe Elliott wave extension, meaning downside moves should still be considered as countertrend. The RSI high at 81 signals momentum support, also warning throwbacks should be considered as corrective rather than bearish. Price is under pressure today, having seen a turn in the index; a move below the intraday fractal support at USD 48,375 would signal an increase in sell side pressure, suggesting price is entering a corrective phase.

Q4 26

Technical outlook: Downside moves considered as countertrend.

Having traded at a high of USD 47,325 the futures are now testing trend support at USD 45,965. A close and hold below USD 45,965 would signal an increase in sell side pressure; however, our Elliott wave analysis continues to suggest that throwbacks should be considered as corrective, rather than bearish. Corrections that trade below USD 40,378 would indicate that price is entering a higher timeframe corrective phase, which should in theory still be against the trend.

Cal 27

Technical Outlook: downside moves considered as countertrend

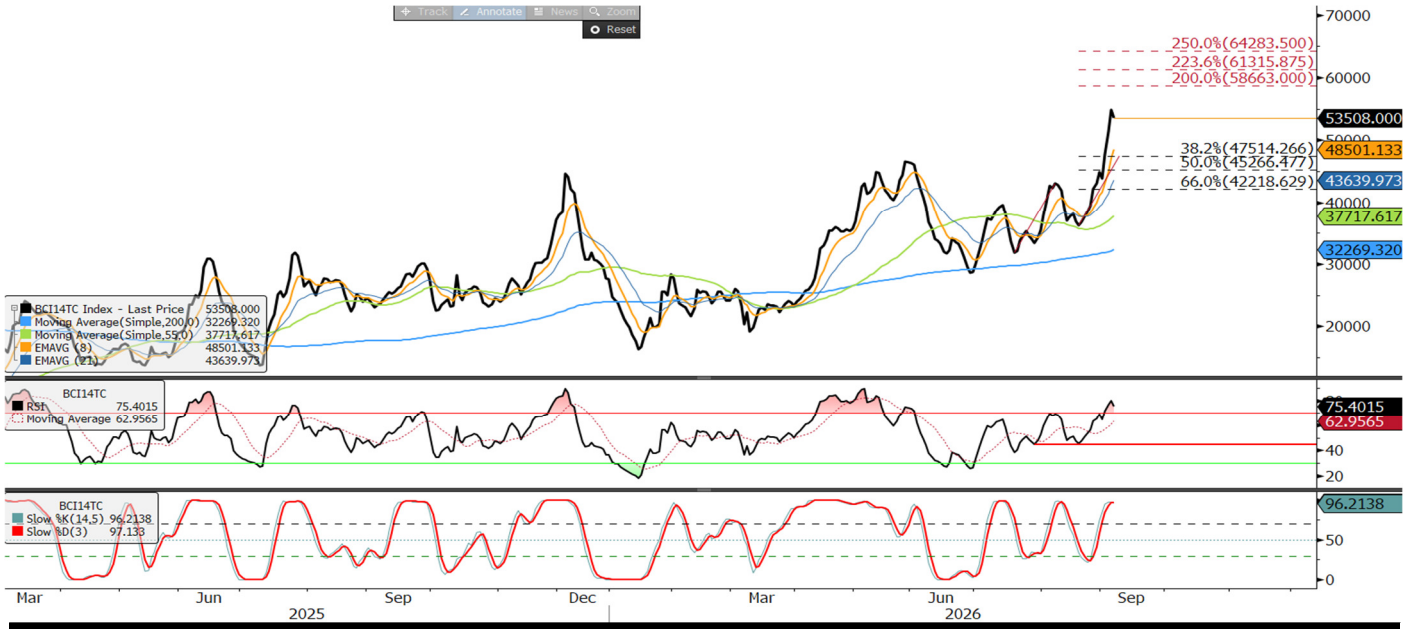
We remain in a bullish trending environment with the ADX now at 65. With no significant pullback we maintain our view that downside moves should be considered as countertrend, providing the USD 29,106 support is not breached. A close and hold below the trend support line at USD 33,888 would warn that price is entering a corrective phase.

C5 Oct 26

Technical outlook: downside moves considered as countertrend

The upside move above the USD 15.58 means that we have an RSI divergence in play. This is not a sell signal, it is a condition that warns that we could see a momentum slowdown. A close and hold below the trend support line at USD 15.55 would suggest that the divergence was being respected, warning support levels could come under pressure. However, our Elliott wave analysis continues to suggest that downside moves should be considered as countertrend, providing the USD 13,684 support is not breached. If it is, then the probability of price trading at a new high would begin to decrease.

Capesize Index

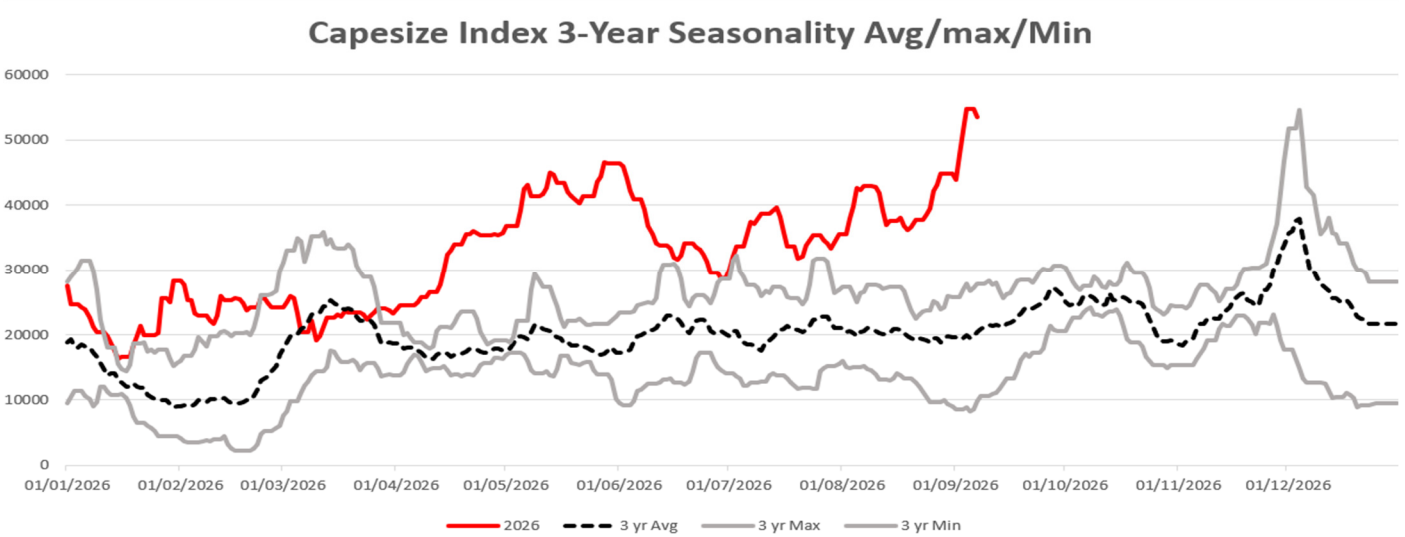


Support		Resistance		Current Price	Bull	Bear
S1	47,514	R1	58,663	53,508	RSI above 50	Stochastic overbought
S2	45,266	R2	61,315			
S3	42,218	R3	64,283			

Source Bloomberg

Synopsis

- Price is above the 8-21 period EMA's
- RSI is above 50 (75)
- Stochastic is oversold
- Price is below the weekly pivot point (USD 51,143)
- Technical outlook Previously: Supported
- No technical last week due to the bank holiday. We noted previously that the downside move failed had to hold below the trend support line, while the RSI had held above 40 and reclaimed 50, implying there was 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 remained vulnerable at that point.
- The index has seen a strong move higher over the last two weeks. 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 51,656 would mean it is aligned to the sell side. Downside moves that hold at or above USD 42,218 would support a bull argument, below this level the technical would have a neutral bias.
- Technical outlook: Downside moves considered as countertrend
- The upside moves to new highs has been replicated by the RSI, meaning we have bullish momentum confirmation. We also note that the RSI has moved back above the 70 level, this also signals momentum strength, implying downside moves have a greater probability of being countertrend. Throwbacks that hold at or above USD 42,218 will support a buyers argument, below this level the technical will have a neutral bias.



Capesize Oct 26

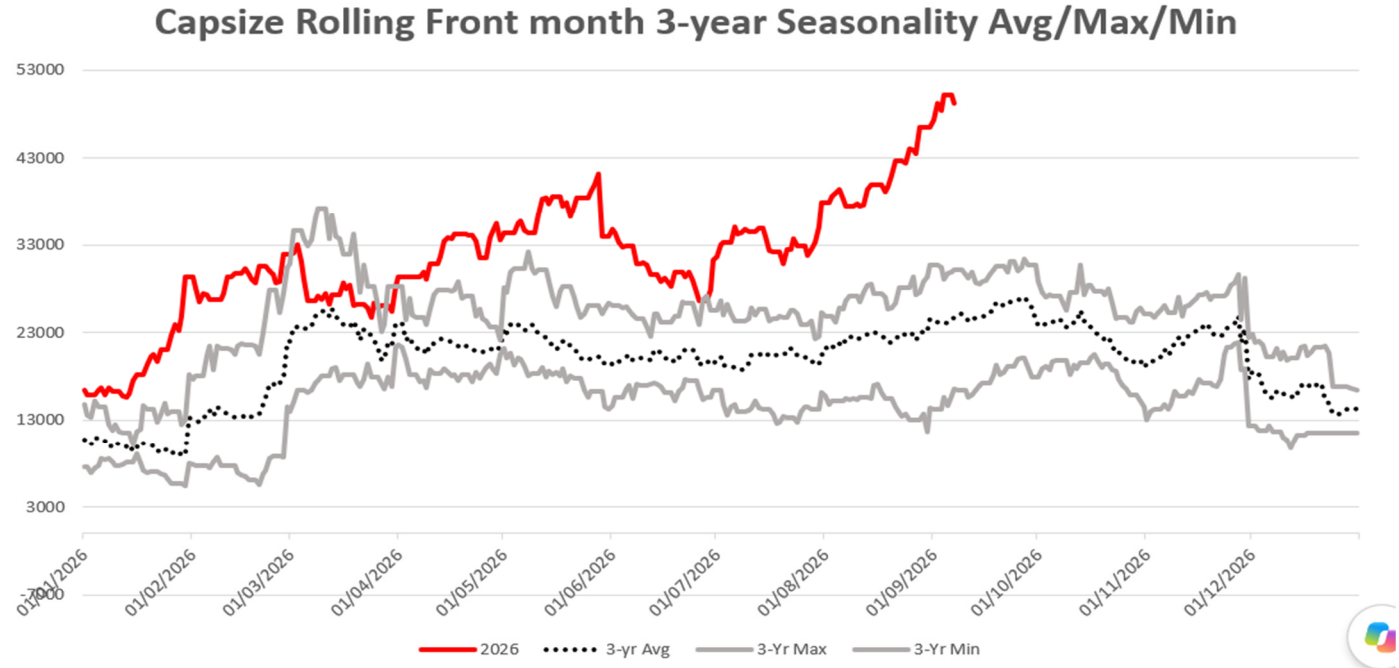


Support		Resistance		Current Price	Bull	Bear
S1	45,239	R1	49,425	49,250	RSI above 50	Stochastic overbought
S2	43,637	R2	52,968			
S3	41,465	R3	54,062			

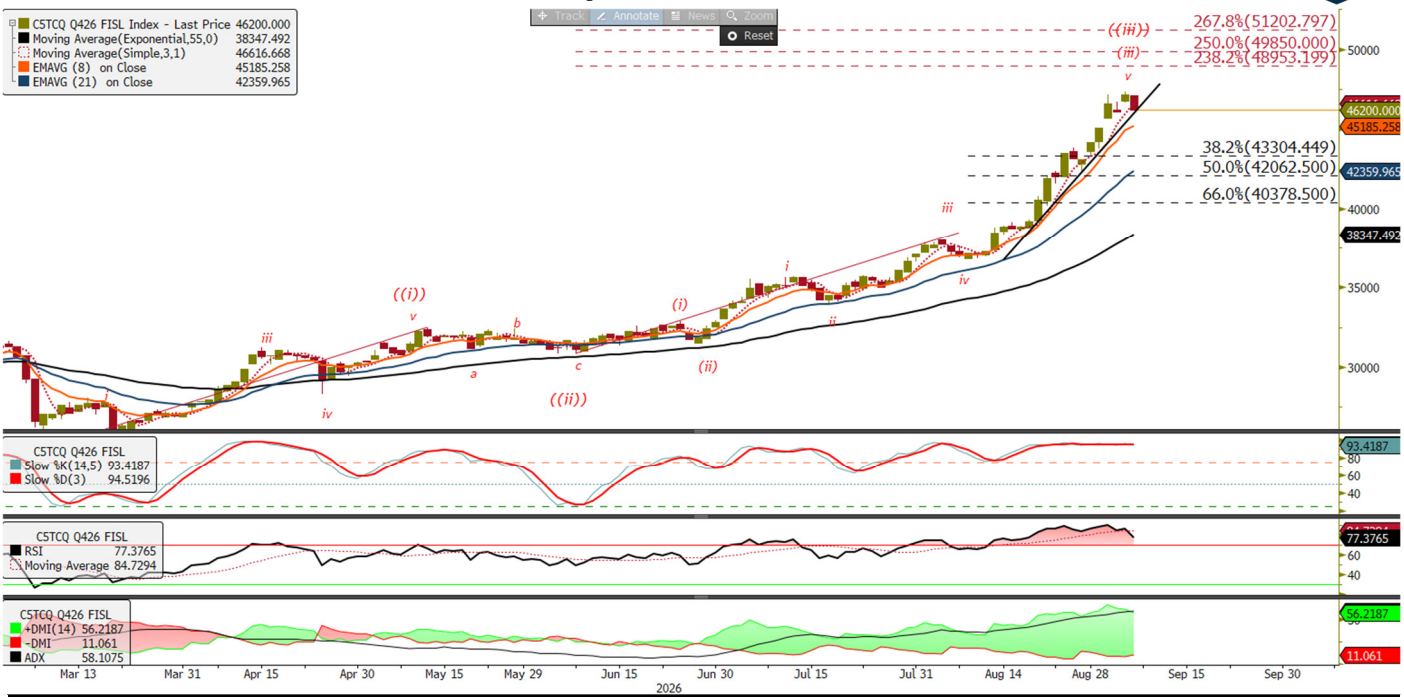
Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (75)
- Stochastic is overbought
- Technical Outlook Previously: Downside moves considered as countertrend
- We noted previously that the upside move to a new high had resulted in the divergence failing, this supported our Elliott wave analysis that implied that downside moves should be considered as countertrend on both the lower and higher timeframes. However, throwbacks below USD 40,320 would indicate that price was entering a higher timeframe corrective phase.
- The futures continue to trade at new highs, we are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 41,465 would support a near-term bull argument, below this level would warn that price is entering a higher timeframe corrective phase.
- Technical Outlook: Downside moves considered as countertrend
- The upside move to new highs resulted in a bullish lower timeframe Elliott wave extension, meaning downside moves should still be considered as countertrend. The RSI high at 81 signals momentum support, also warning throwbacks should be considered as corrective rather than bearish. Price is under pressure today, having seen a turn in the index; a move below the intraday fractal support at USD 48,375 would signal an increase in sell side pressure, suggesting price is entering a corrective phase.



Capesize Q4 26

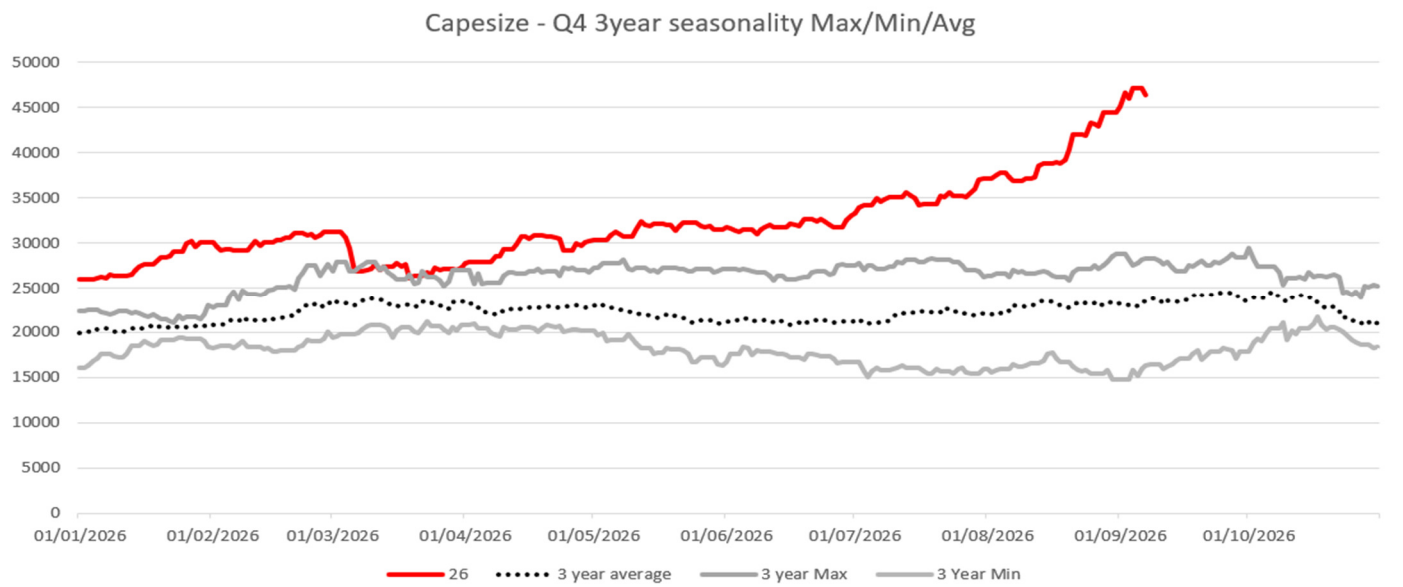


Support		Resistance		Current Price	Bull	Bear
S1	45,965	R1	48,953	46,200	RSI above 50	Stochastic overbought
S2	43,304	R2	49,850			
S3	42,062	R3	51,202			

Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (77)
- Stochastic is overbought
- Technical outlook Previously: Downside moves considered as countertrend.
- Due to the increase in buyside pressure previously we had relabelled the lower timeframe wave cycles, as it looked 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 was entering a higher timeframe corrective phase.
- The futures continued to trade at new highs due to the lower timeframe Elliott wave extension. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 40,378 would support a bull argument, below this level the lower timeframe cycle would have a neutral bias.
- Technical outlook: Downside moves considered as countertrend.
- Having traded at a high of USD 47,325 the futures are now testing trend support at USD 45,965. A close and hold below USD 45,965 would signal an increase in sell side pressure; however, our Elliott wave analysis continues to suggest that throwbacks should be considered as corrective, rather than bearish. Corrections that trade below USD 40,378 would indicate that price is entering a higher timeframe corrective phase, which should in theory still be against the trend.



Capesize Cal 27

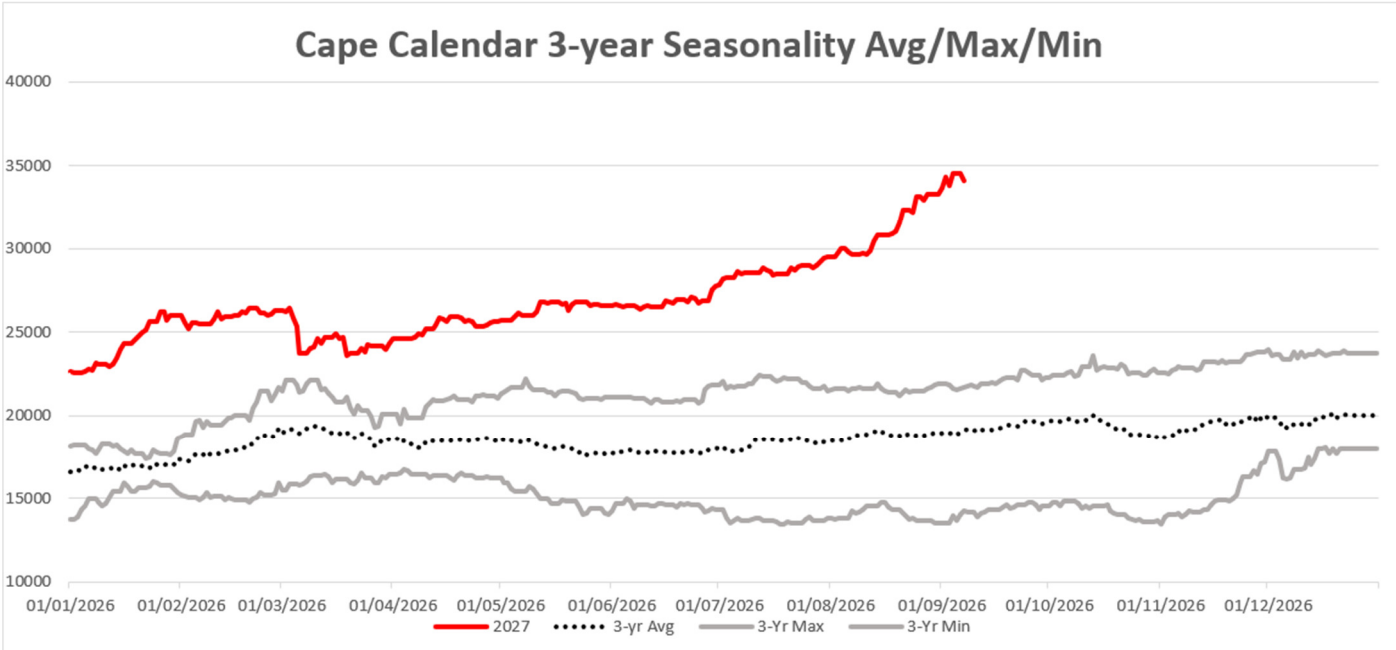


Support		Resistance		Current Price	Bull	Bear
S1	33,888	R1	34,495	34,125	RSI above 50	Stochastic overbought
S2	31,441	R2	36,454			
S3	30,450	R3	39,625			

Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (72)
- Stochastic is overbought
- Technical Outlook last week: downside moves considered as countertrend
- We noted in the last report that the futures continued 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 was not breached; if it was, then it would warn that we are entering a higher timeframe corrective phase. The ADX at 51 supported our Elliott wave analysis, as it suggested that we were in a strong trending environment.
- 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 29,106 would support a bull argument, below this level will the technical would have a neutral bias.
- Technical Outlook: downside moves considered as countertrend
- We remain in a bullish trending environment with the ADX now at 65. With no significant pullback we maintain our view that downside moves should be considered as countertrend, providing the USD 29,106 support is not breached. A close and hold below the trend support line at USD 33,888 would warn that price is entering a corrective phase.



Capesize C5 Oct 26 (Heiken Ashi Chart)



Support		Resistance		Current Price	Bull	Bear
S1	15.55	R1	16.93	16.35	RSI above 50	Stochastic overbought
S2	14.90	R2	18.59			
S3	14.38	R3	20.70			

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 (76)
- Stochastic is overbought
- Technical outlook Previously: Buyside pressure increasing.
- We noted previously that both price and the RSI were making new highs, while the ADX was at 39. Bullish momentum confirmation while in a strong trending environment suggested that downside moves should be considered as countertrend, providing the USD 13.14 support was not breached. If it was, then the probability of price trading to a new high would begin to decrease.
- 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 13.68 would support a bull argument, below this level the probability of price trading to a new high would begin to decrease.
- Technical outlook: downside moves considered as countertrend
- The upside move above the USD 15.58 means that we have an RSI divergence in play. This is not a sell signal, it is a condition that warns that we could see a momentum slowdown. A close and hold below the trend support line at USD 15.55 would suggest that the divergence was being respected, warning support levels could come under pressure. However, our Elliott wave analysis continues to suggest that downside moves should be considered as countertrend, providing the USD 13,684 support is not breached. If it is, then the probability of price trading at a new high would begin to decrease.

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