FIS Capesize Technical Report

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Technical outlook: Corrective

Based on the bullish momentum confirmation previously, alongside the RSI breaching 70, we maintain our view that throwbacks have a greater chance of being countertrend, providing we remain above USD 42,218. Below USD 42,218 the depth of the pullback would reduce the probability of price trading at new highs. Momentum has positive velocity but negative acceleration at this point; if the RSI holds above the 40 level then market sellers should act with caution, as the momentum support will leave price vulnerable to a move higher. Likewise, a close above the weekly pivot level at USD 52,603 would signal an increase in buyside pressure.

Oct 26

Technical Outlook: Downside moves considered as countertrend

The futures are now in a corrective phase with trend resistance at USD 48,394; a close and hold above the support line would warn that sell side momentum has slowed, while a move above the intraday fractal resistance at USD 48,625 would signal an increase in buyside pressure. Elliott wave analysis continues to suggest that downisde moves should be considered as countertrend, making USD 41,788 the key support to follow. Bearish momentum confirmation does mean that support levels are vulnerable in the near-term, meaning we need to see bullish signal lad by price to signal buyside pressure is increasing.

Q4 26

Technical outlook: Corrective

The break in trend support has signaled that the futures are in a corrective phase, making USD 40,582 the key support to follow, throwbacks below this level will reduce the probability of the futures trading at a new high. The ADX is starting to turn lower with price; however, the 14-period DMI remains bullish at this point; meanwhile, the RSI has positive velocity and negative acceleration. If the RSI throwback holds above 40, then it will warn of momentum support, caution is warranted below 40, as it would suggest sell side pressure is increasing. As highlighted previously, our Elliott wave analysis suggests that this move looks to be corrective rather than bearish. A close and hold above the trend resistance line at USD 45,960 would signal an increase in buyside pressure.

Cal 27

Technical Outlook: downside moves considered as countertrend

The close below the trend support line indicates price has entered a corrective phase. Throwbacks that hold at or above USD 29,157 will support a longer-term bull argument; if breached, then the probability of price trading at a new high would begin to decrease. Conversely, a close and hold above the trend resistance line at USD 33,560 would imply buyside pressure is increasing. Our Elliott wave analysis suggests that downisde moves should be considered as countertrend.

C5 Oct 26

Technical outlook: Negative divergence

The futures are selling lower on the negative RSI divergence with intraday price below the trend support line at USD 16.29. A close and hold below the support line will signal that price is entering a corrective phase, warning support levels could be tested. We identify USD 13.75 as a key level to follow; if breached, then the probability of price trading at a new high would begin to decrease. The ADX at 57 continue to indicate that we remain in a trending environment, suggesting downside moves should be considered as countertrend.

Capesize Index

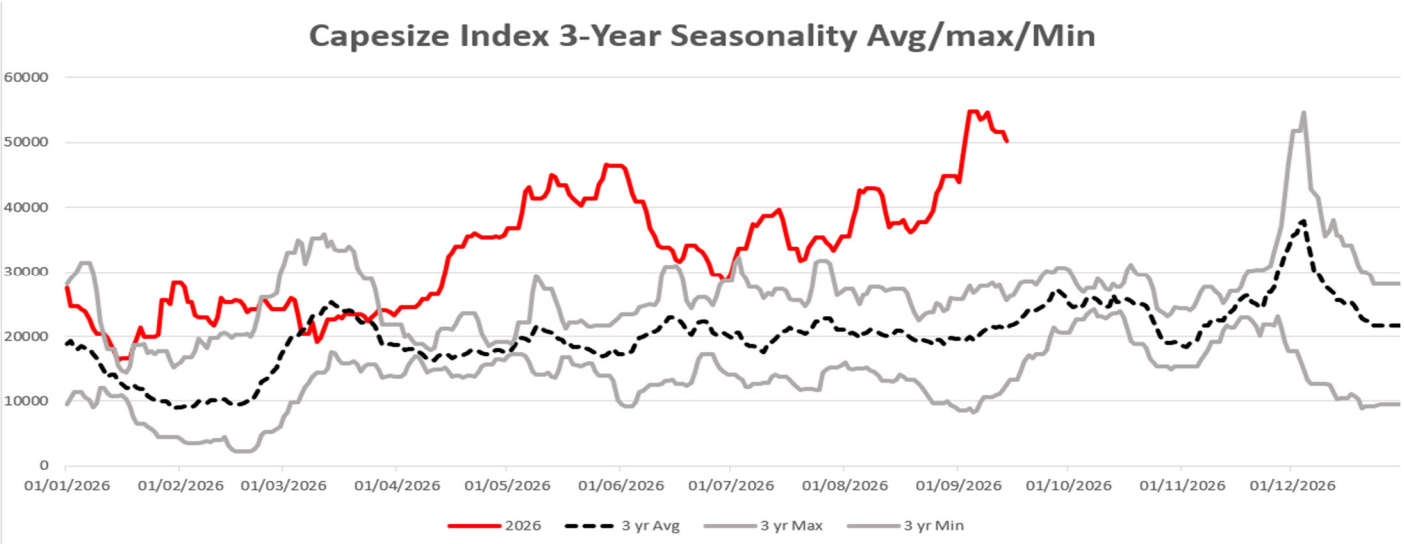


Support		Resistance		Current Price	Bull	Bear
S1	47,514	R1	54,791	50,119	RSI above 50	Stochastic overbought
S2	45,266	R2	58,663			
S3	42,218	R3	61,315			

Source Bloomberg

Synopsis

- Price is between the 8-21 period EMA's
- RSI is above 50 (61)
- Stochastic is overbought
- Price is below the weekly pivot point (USD 52,063)
- Technical outlook Previously: Downside moves considered as countertrend
- We noted previously that the upside moves to new highs had been replicated by the RSI, meaning we had bullish momentum confirmation. We also note that the RSI had moved back above the 70 level, this also signals momentum strength, implying downside moves had a greater probability of being countertrend. Throwbacks that held at or above USD 42,218 would support a buyers argument, below this level the technical would have a neutral bias.
- Having traded at a high of USD 54,719 the index has now entered a corrective phase. Price is between the 8-21 period EMA's with the RSI above 50.
- Momentum based on price is aligned to the sell-side, a close above USD 51,845 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: Corrective
- Based on the bullish momentum confirmation previously, alongside the RSI breaching 70, we maintain our view that throwbacks have a greater chance of being countertrend, providing we remain above USD 42,218. Below USD 42,218 the depth of the pullback would reduce the probability of price trading at new highs. Momentum has positive velocity but negative acceleration at this point; if the RSI holds above the 40 level then market sellers should act with caution, as the momentum support will leave price vulnerable to a move higher. Likewise, a close above the weekly pivot level at USD 52,603 would signal an increase in buyside pressure.



Capesize Oct 26

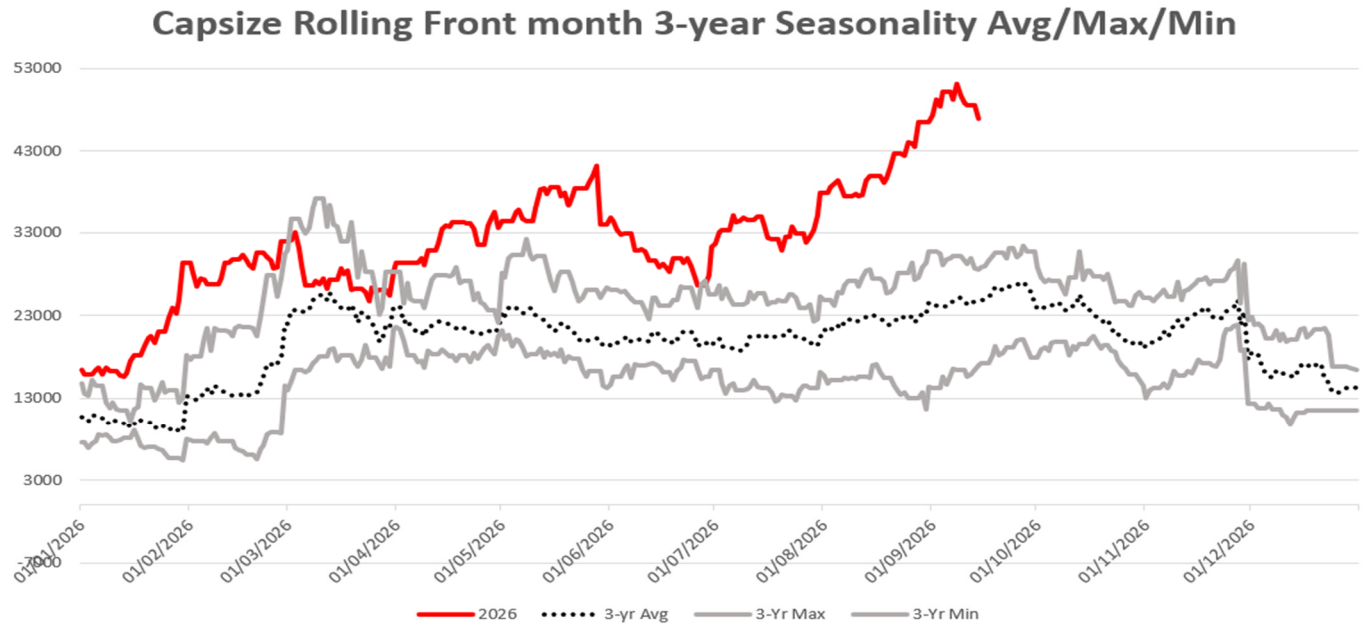


Support		Resistance		Current Price	Bull	Bear
S1	45,826	R1	48,394	48,218	RSI above 50	Stochastic overbought
S2	43,112	R2	49,425			
S3	41,778	R3	52,968			

Synopsis

Source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is above 50 (58)
- Stochastic is overbought
- Technical Outlook Previously: Downside moves considered as countertrend
- The upside move to new highs last week had resulted in a bullish lower timeframe Elliott wave extension, meaning downside moves should still be considered as countertrend. The RSI high at 81 signaled momentum support, also warning throwbacks should be considered as corrective, rather than bearish. Price was under pressure on the 07/09, 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 was entering a corrective phase.
- The futures sold below the USD 48,375 fractal support resulting in price entering a corrective phase. We are between the 8-21 period EMA's with the RSI above 50.
- Downside moves that hold at or above USD 41,788 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 futures are now in a corrective phase with trend resistance at USD 48,394; a close and hold above the support line would warn that sell side momentum has slowed, while a move above the intraday fractal resistance at USD 48,625 would signal an increase in buyside pressure. Elliott wave analysis continues to suggest that downisde moves should be considered as countertrend, making USD 41,788 the key support to follow. Bearish momentum confirmation does mean that support levels are vulnerable in the near-term, meaning we need to see bullish signal lad by price to signal buyside pressure is increasing.



Capesize Q4 26

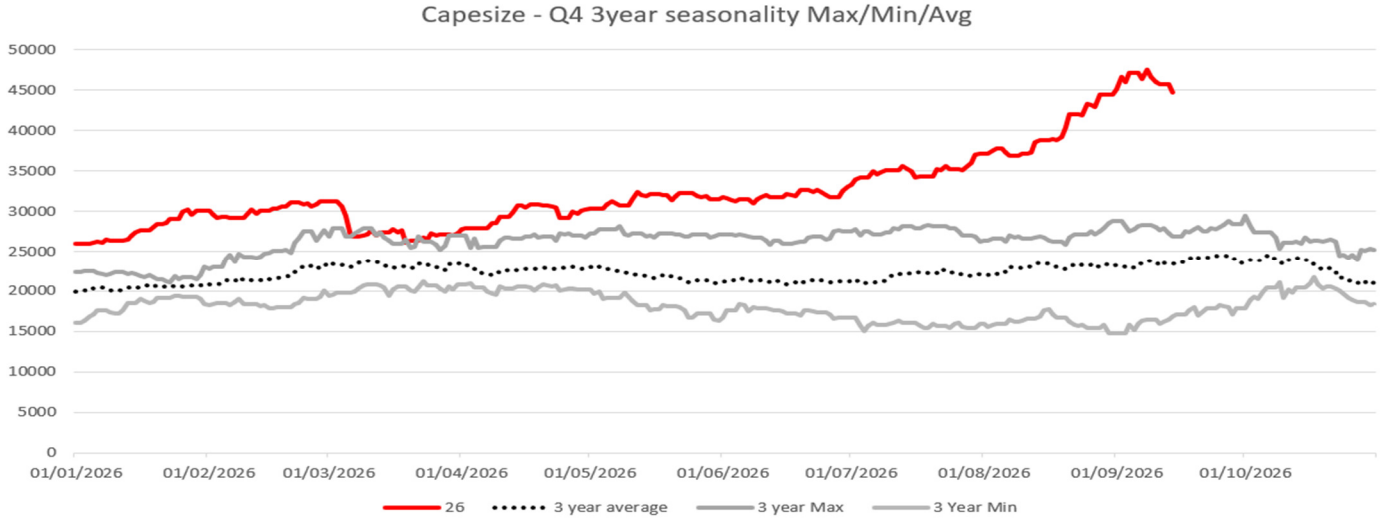


Support		Resistance		Current Price	Bull	Bear
S1	43,675	R1	45,960	44,450	RSI above 50	Stochastic overbought
S2	42,362	R2	47,925			
S3	40,582	R3	48,953			

Synopsis

Source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is above 50 (59)
- Stochastic is overbought
- Technical outlook Previously: Downside moves considered as countertrend.
- We noted last week that having traded at a high of USD 47,325 the futures were 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 continued to suggest that throwbacks should be considered as corrective, rather than bearish. Corrections that traded below USD 40,378 would indicate that price was entering a higher timeframe corrective phase, which should in theory still be against the trend.
- It took another two sessions before price closed below the trend support line, resulting in the futures entering into a corrective phase. We are between the 8-21 period EMA's with the RSI above 50.
- Downside moves that hold at or above USD 40,582 would support a bull argument, below this level the lower timeframe cycle would have a neutral bias.
- Technical outlook: Corrective
- The break in trend support has signaled that the futures are in a corrective phase, making USD 40,582 the key support to follow, throwbacks below this level will reduce the probability of the futures trading at a new high. The ADX is starting to turn lower with price; however, the 14-period DMI remains bullish at this point; meanwhile, the RSI has positive velocity and negative acceleration. If the RSI throwback holds above 40, then it will warn of momentum support, caution is warranted below 40, as it would suggest sell side pressure is increasing. As highlighted previously, our Elliott wave analysis suggests that this move looks to be corrective rather than bearish. A close and hold above the trend resistance line at USD 45,960 would signal an increase in buyside pressure.



Capesize Cal 27

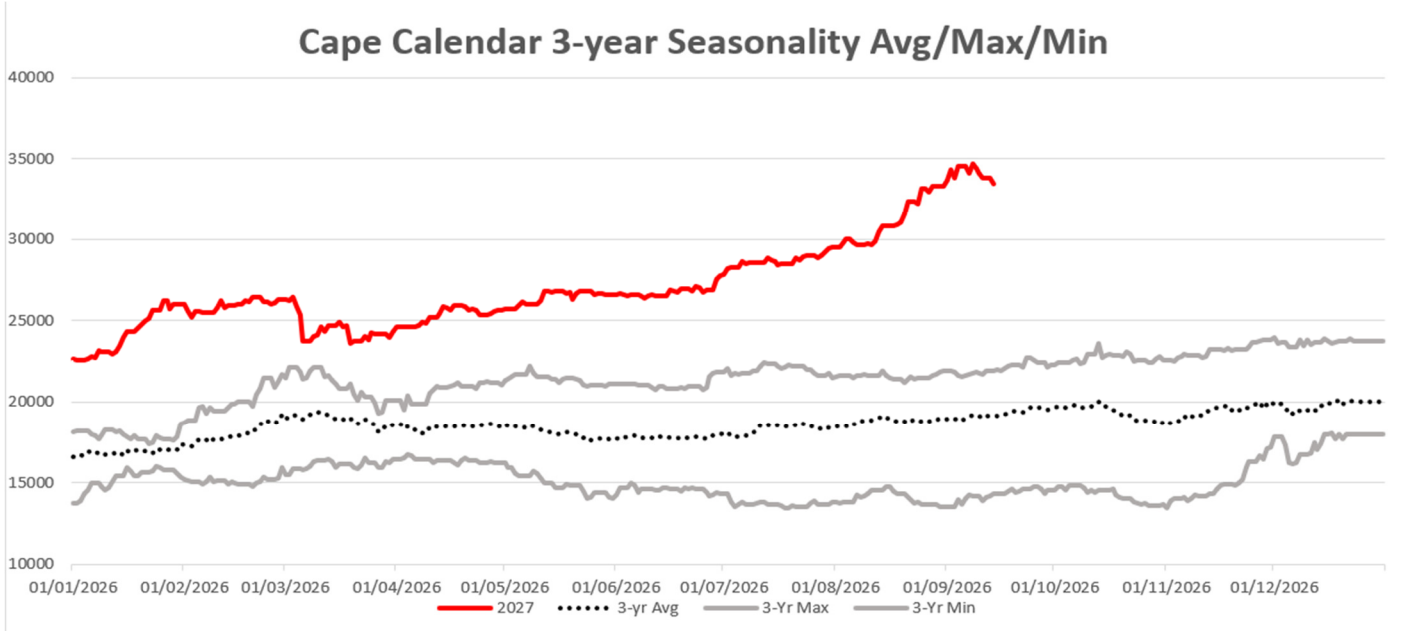


Support		Resistance		Current Price	Bull	Bear
S1	31,553	R1	33,560	33,375	RSI above 50	Stochastic overbought
S2	30,525	R2	34,495			
S3	29,157	R3	36,454			

Synopsis

Source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is above 50 (58)
- Stochastic is overbought
- Technical Outlook last week: downside moves considered as countertrend
- We remained in a bullish trending environment last week with the ADX at 65. With no significant pullback we maintained our view that downside moves should be considered as countertrend, providing the USD 29,106 support was not breached. A close and hold below the trend support line at USD 33,888 would warn that price was entering a corrective phase.
- The futures have closed below the trend support line signaling price has entered a corrective phase. We are between the 8-21 period EMA's supported by the RSI above 50.
- Downside moves that hold at or above USD 29,157 would support a bull argument, below this level will the technical would have a neutral bias.
- Technical Outlook: downside moves considered as countertrend
- The close below the trend support line indicates price has entered a corrective phase. Throwbacks that hold at or above USD 29,157 will support a longer-term bull argument; if breached, then the probability of price trading at a new high would begin to decrease. Conversely, a close and hold above the trend resistance line at USD 33,560 would imply buyside pressure is increasing. Our Elliott wave analysis suggests that downisde moves should be considered as countertrend.



Capesize C5 Oct 26 (Heiken Ashi Chart)



Support		Resistance		Current Price	Bull	Bear
S1	15.03	R1	16.29	16.10	RSI above 50	Stochastic overbought
S2	14.49	R2	16.93			
S3	13.75	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 between the 8-21 period EMA's
- RSI is above 50 (67)
- Stochastic is overbought
- Technical outlook Previously: downside moves considered as countertrend
- We noted previously that the upside move above the USD 15.58 meant that we have an RSI divergence in play. This was not a sell signal, it was a condition that warned 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 continued to suggest that downside moves should be considered as countertrend, providing the USD 13.68 support was not breached. If it was, then the probability of price trading at a new high would begin to decrease.
- Intraday price action is trading below the trend support line at USD 16.29, meaning the futures are between the 8-21 period EMA's, the RSI remains above 50.
- Downside moves that hold At or above USD 13.75 would support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Negative divergence
- The futures are selling lower on the negative RSI divergence with intraday price below the trend support line at USD 16.29. A close and hold below the support line will signal that price is entering a corrective phase, warning support levels could be tested. We identify USD 13.75 as a key level to follow; if breached, then the probability of price trading at a new high would begin to decrease. The ADX at 57 continue to indicate that we remain in a trending environment, suggesting downside moves should be considered as countertrend.

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