FIS

Capesize Technical Report

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Index

Technical outlook: buyside pressure increasing

The futures have opened the week above the weekly pivot level at USD 48,776, implying the market is supported. Market longs should be cautious on a close back below USD 48,775, as it will signal an increase in sell side pressure. As highlighted previously, based on the bullish momentum confirmation and the RSI breach of the 70 level, we maintain a cautious approach to lower moves. The caveat, to move higher, the RSI will need to reclaim and hold the 70 level; if we do, then we should challenge the USD 54,791 fractal high.

Oct 26

Technical Outlook: Buyside pressure increasing

The futures closed above the trend resistance line resulting in the RSI reclaiming the 60 level, indicating we are seeing an increase in buyside pressure. The intraday move above the USD 49,420 resistance implies caution on downisde moves; while our Elliott wave analysis suggests that downisde moves should be considered as countertrend, providing the USD 41,788 support is not breached. The increase is buyside pressure is warning that the USD 51,375 fractal high is becoming increasingly vulnerable.

Q4 26

Technical outlook: Buyside pressure increasing

Elliott wave analysis continues to suggest that downisde moves should be considered as countertrend, providing the USD 40,582 support is not breached. The close and hold above the trend support line is signaling an increase in buyside pressure, as is the RSI reclaiming the 60 level. If the RSI closes and holds above its MA it will warn that the USD 47,925 fractal high could be tested and broken.

Cal 27

Technical Outlook: downside moves considered as countertrend

Technically, our Elliott wave analysis continues to suggest that downside moves should be considered as countertrend. The close above the trend resistance line is supported by the RSI moving above the 60 line, signaling and increase in buyside pressure. If the RSI can hold above 60, and close and hold above its bearish sloping moving average, then the USD 34,800 fractal high should fall. Market longs should act with caution if the RSI fails to hold above 60, as it will warn that sell side momentum is increasing in pressure.

C5 Oct 26

Technical outlook: Negative divergence

The futures are seeing light bid support; however, above USD 16.79 the RSI will be divergent with price. Not a sell signal, it is a warning that buyside momentum could slow. The trend support line at USD 17.14 now has the potential to act as a resistance line, market longs will need to see price close and hold the trend line, otherwise price will be vulnerable to a move lower on the divergence. The ADX at 54 continues to suggest that we remain in a strong trending environment, implying throwbacks have a higher probability of being countertrend.

Capesize Index

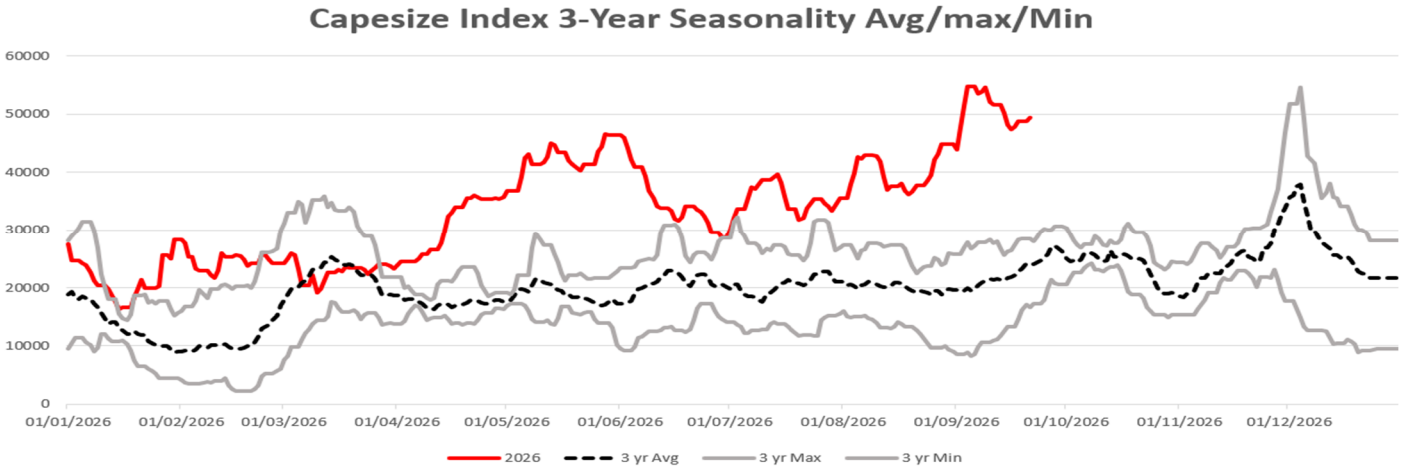


Support		Resistance		Current Price	Bull	Bear
S1	47,514	R1	52,227	49,450	RSI above 50	
S2	45,266	R2	54,791			
S3	42,218	R3	58,663			

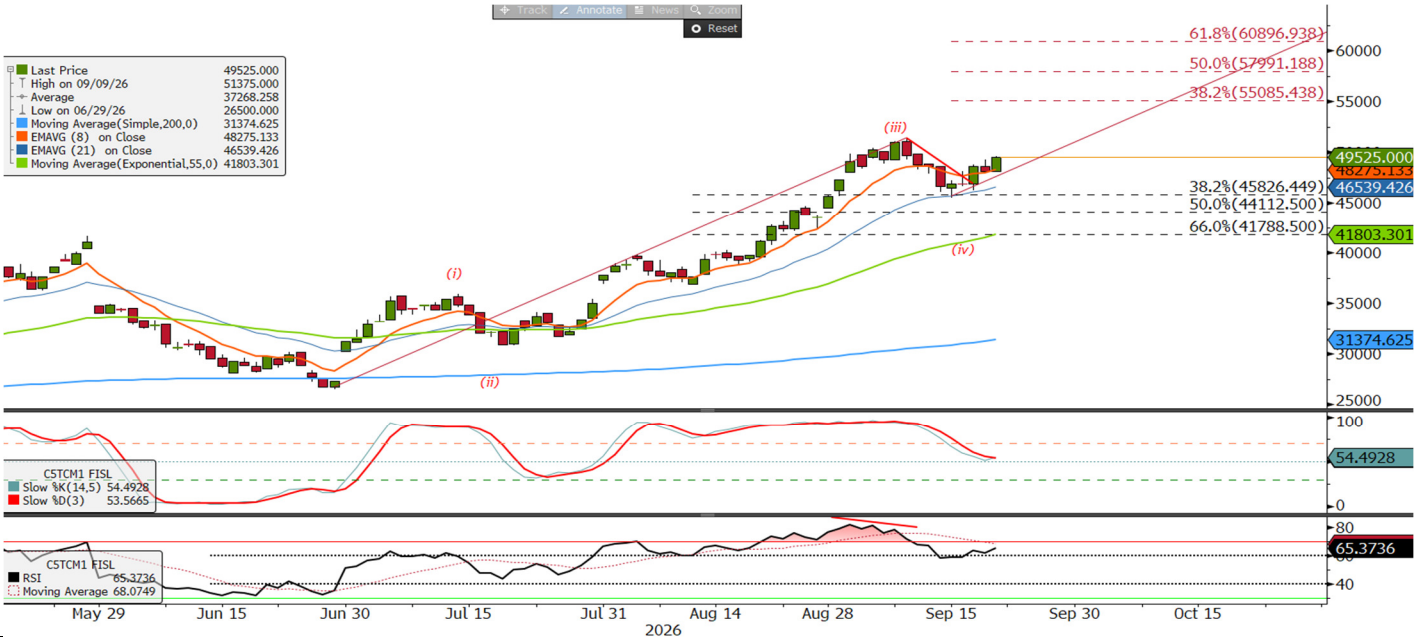
Source Bloomberg

Synopsis

- Price is above the 8-21 period EMA's
- RSI is above 50 (58)
- Stochastic is above 50
- Price is above the weekly pivot point (USD 48,776)
- Technical outlook Previously: Corrective
- Based on the bullish momentum confirmation previously, alongside the RSI breaching 70, we maintained our view last week that throwbacks had a greater chance of being countertrend, providing we remained above USD 42,218. Below USD 42,218 the depth of the pullback would reduce the probability of price trading at new high. Momentum had positive velocity but negative acceleration at that point; if the RSI holds above the 40 level then market sellers should act with caution, as the momentum support would 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.
- The index traded at a low of USD 47,397 with the RSI holding above the 40 level, resulting in price finding support at the USD 47,514 level. Price is above all key moving averages supported by the RSI above 50.
- Momentum based on price is aligned to the buy-side, a close below USD 48,585 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: buyside pressure increasing
- The futures have opened the week above the weekly pivot level at USD 48,776, implying the market is supported. Market longs should be cautious on a close back below USD 48,775, as it will signal an increase in sell side pressure. As highlighted previously, based on the bullish momentum confirmation and the RSI breach of the 70 level, we maintain a cautious approach to lower moves. The caveat, to move higher, the RSI will need to reclaim and hold the 70 level; if we do, then we should challenge the USD 54,791 fractal high.



Capesize Oct 26

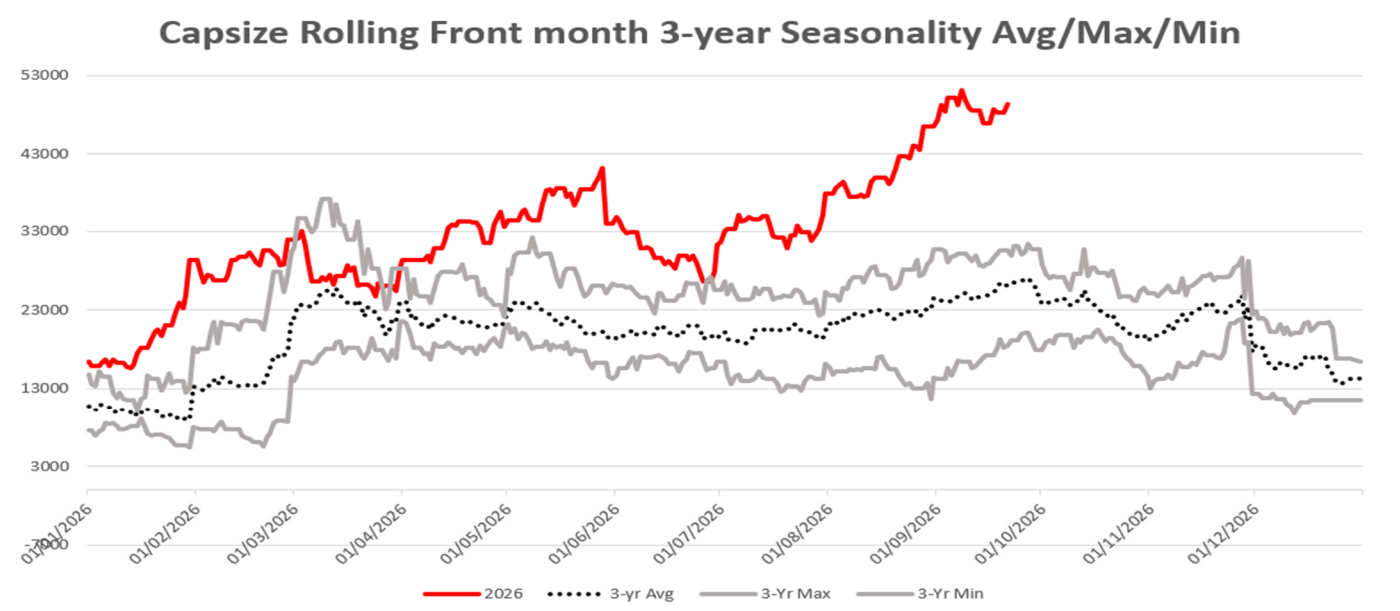


Support		Resistance		Current Price	Bull	Bear
S1	45,826	R1	51,375	49,525	RSI above 50	Stochastic overbought
S2	43,112	R2	55,085			
S3	41,778	R3	57,991			

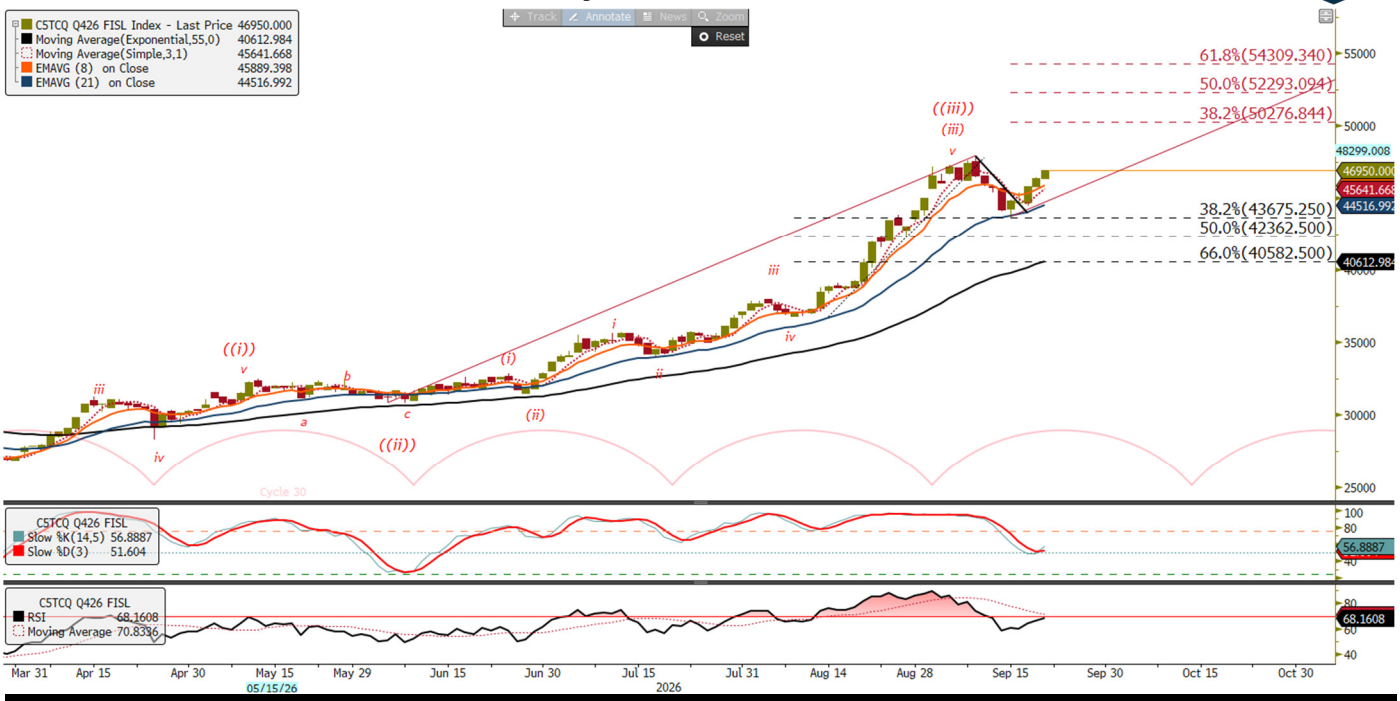
Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (65)
- Stochastic is overbought
- Technical Outlook Previously: Downside moves considered as countertrend
- The futures were in a corrective phase last week with trend resistance at USD 48,394; a close and hold above the support line would warn that sell side momentum had 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 downside moves should be considered as countertrend, making USD 41,788 the key support to follow. Bearish momentum confirmation did mean that support levels are vulnerable in the near-term, meaning we need to see bullish signal led by price to signal buyside pressure is increasing.
- The futures held the USD 45,826 Fibonacci support resulting in price closing back above trend resistance. We are above all key moving averages supported by 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: Buyside pressure increasing
- The futures closed above the trend resistance line resulting in the RSI reclaiming the 60 level, indicating we are seeing an increase in buyside pressure. The intraday move above the USD 49,420 resistance implies caution on downisde moves; while our Elliott wave analysis suggests that downisde moves should be considered as countertrend, providing the USD 41,788 support is not breached. The increase is buyside pressure is warning that the USD 51,375 fractal high is becoming increasingly vulnerable.



Capesize Q4 26

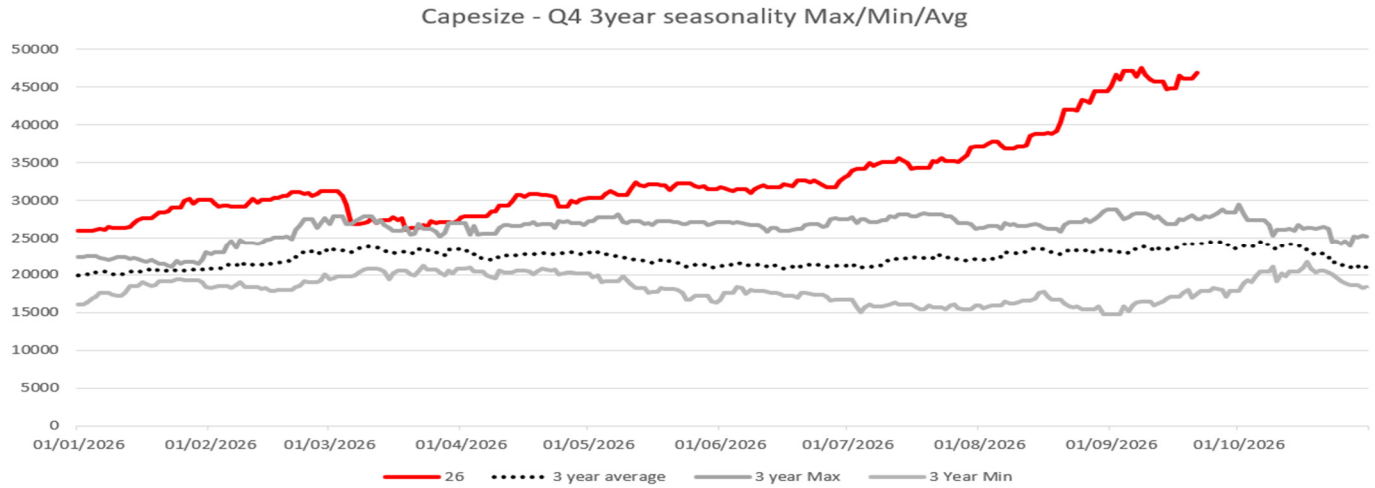


Support		Resistance		Current Price	Bull	Bear
S1	43,675	R1	47,925	46,950	RSI above 50	
S2	42,362	R2	50,276			
S3	40,582	R3	52,293			

Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (68)
- Stochastic is above 50
- Technical outlook Previously: Corrective
- The break in trend support last week had signaled that the futures were 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 was starting to turn lower with price; however, the 14-period DMI remained bullish at that point; meanwhile, the RSI had positive velocity and negative acceleration. If the RSI throwback holds above 40, then it would warn of momentum support, caution was warranted below 40, as it would suggest sell side pressure was 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.
- The futures closed and held above the trend support line with the RSI holding above 50, resulting in the futures moving higher. We are above all key moving averages supported by 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: Buyside pressure increasing
- Elliott wave analysis continues to suggest that downisde moves should be considered as countertrend, providing the USD 40,582 support is not breached. The close and hold above the trend support line is signaling an increase in buyside pressure, as is the RSI reclaiming the 60 level. If the RSI closes and holds above its MA it will warn that the USD 47,925 fractal high could be tested and broken.



Capesize Cal 27

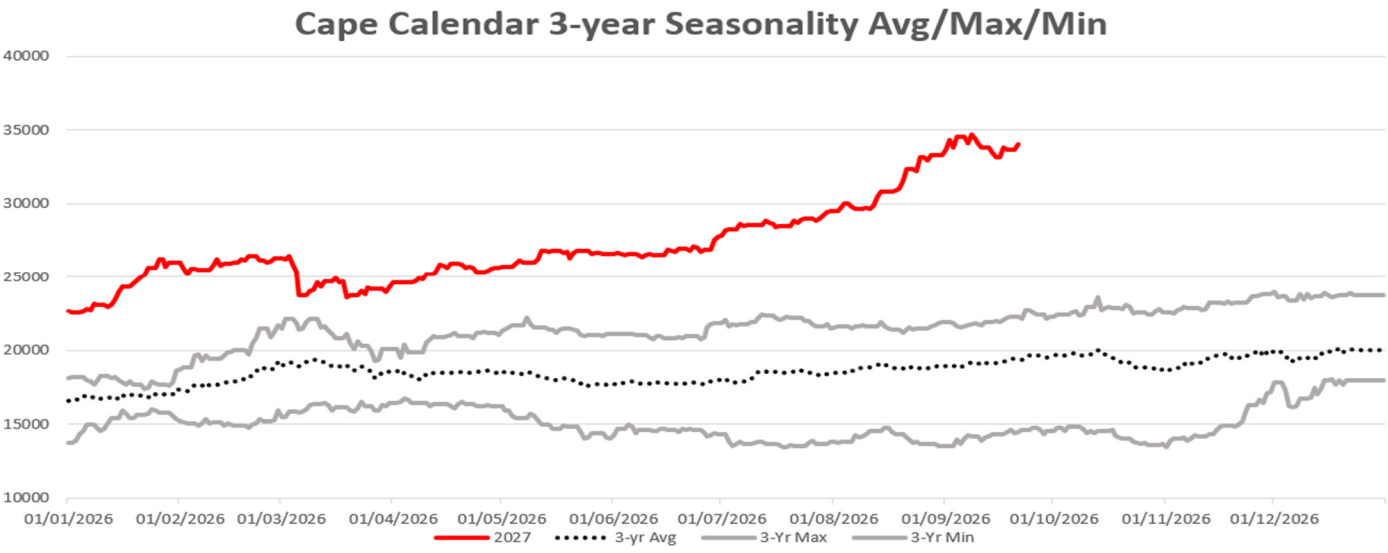


Support		Resistance		Current Price	Bull	Bear
S1	31,553	R1	34,800	34,125	RSI above 50	
S2	30,525	R2	36,859			
S3	29,157	R3	39,615			

Synopsis

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (63)
- Stochastic is oversold
- Technical Outlook last week: downside moves considered as countertrend
- The close below the trend support line last week indicated that price had entered a corrective phase. Throwbacks that held at or above USD 29,157 would 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 was increasing. Our Elliott wave analysis suggested that downisde moves should be considered as countertrend.
- The futures traded at a low of USD 32,400 with price producing a bullish support candle, 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 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
- Technically, our Elliott wave analysis continues to suggest that downside moves should be considered as countertrend. The close above the trend resistance line is supported by the RSI moving above the 60 line, signaling and increase in buyside pressure. If the RSI can hold above 60, and close and hold above its bearish sloping moving average, then the USD 34,800 fractal high should fall. Market longs should act with caution if the RSI fails to hold above 60, as it will warn that sell side momentum is increasing in pressure.



Capesize C5 Oct 26 (Heiken Ashi Chart)



Support		Resistance		Current Price	Bull	Bear
S1	15.03	R1	16.93	16.75	RSI above 50	Stochastic overbought
S2	14.49	R2	18.59			
S3	13.75	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 (64)
- Stochastic is overbought
- Technical outlook Previously: Negative divergence
- The futures were selling lower on the negative RSI divergence last week with intraday price below the trend support line at USD 16.29. A close and hold below the support line would signal that price was 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 continued to indicate that we remain in a trending environment, suggesting downside moves should be considered as countertrend.
- The futures traded at a low of USD 16.06 before finding light bid support. We are above all key moving averages with the RSI 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 seeing light bid support; however, above USD 16.79 the RSI will be divergent with price. Not a sell signal, it is a warning that buyside momentum could slow. The trend support line at USD 17.14 now has the potential to act as a resistance line, market longs will need to see price close and hold the trend line, otherwise price will be vulnerable to a move lower on the divergence. The ADX at 54 continues to suggest that we remain in a strong trending environment, implying throwbacks have a higher probability of being countertrend.

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