FIS

Capesize Technical Report

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Index

Technical outlook: Inflection point

The index is now testing the 200-period MA at USD 33,698, meaning we are at an inflection point. A close and hold below the average would leave market sellers looking to test the trend support line at USD 30,636; conversely, market sellers should act with caution on lower moves that fail to hold below the average, as it would signal it is being defended by the market. A close above the weekly pivot level at USD 37,350 would signal an increase in buyside pressure.

Nov 26

Technical Outlook: Potential lower timeframe Elliott wave extension

The daily RSI has made a new low, while the intraday 4-hour RSI remains divergent, this does suggest that caution is still warranted on lower moves at this point. However, the 1-hour RSI has broken near-term support, implying we could be looking at a lower timeframe bearish Elliott wave extension. Upside moves that fail at or below USD 40,628 will warn that support level could come back under pressure, while a move above the USD 42,175 fractal resistance would suggest market buyers are becoming dominant. Mixed signal suggest focus should be on the USD 40,628 resistance.

Q1 27

Technical outlook: Sell side pressure increasing

The technical outlook has the potential to be misleading, as the current candle is still open. If we close and hold below the 55-period EMA at USD 28,923 with the RSI below 40, it would indicate sell side pressure is increasing. If the RSI holds above 40, and price fails to hold below the 55-period EMA, it will warn that there is underlying support in the market. We have warning signs that sell side pressure could be increasing; however, we need to see further downside at this point.

Cal 27

Technical Outlook: bullish throwback

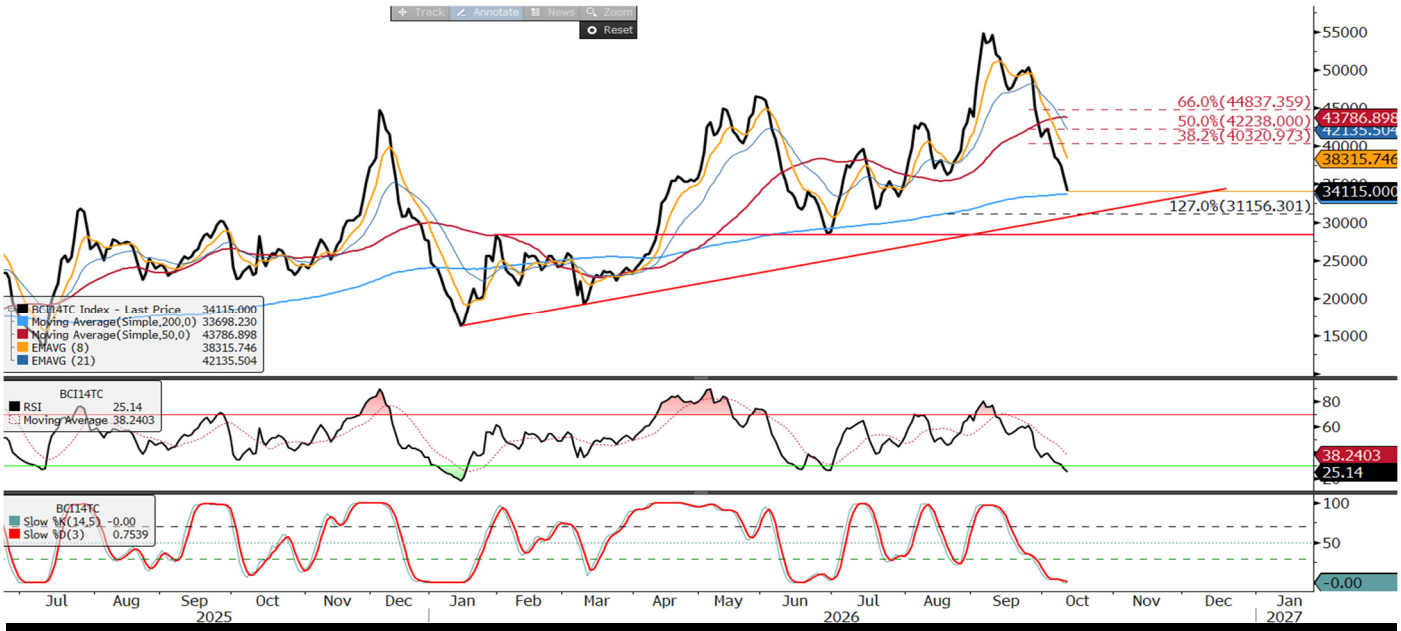
Unchanged on the technical this week, the futures remain in a corrective phase with price moving below the 50-period SMA; however, the RSI remains above the 40 level at this point. As highlighted previously, USD 31,800 is the 100% Fibonacci projection of the first corrective wave, projected from the high of the second wave; market sellers should act with caution around this level, as it has the potential to attract buyside support. Conversely, caution was warranted if the RSI holds above the 40 level, as it would warn of momentum support. A close and hold below USD 31,800 with the RSI below 40 would leave the primary trend support at USD 29,747 vulnerable. From the outside, it looks like the Cal is seeing a slow correction into a rising 200 -period MA, as it looks to close the reversion gap.

C5 Nov 26

Technical outlook: Positive divergence

The futures have traded at new lows, the RSI has not, signaling a positive RSI divergence. This is a condition that warns that sell side momentum could slow down, it is not a buy signal and needs confirmation from bullish price action. Upside moves that fail at or below USD 15.80 would warn support levels could come under further pressure; conversely, above USD 15.80 the probability of the futures trading at a new low would start to decrease, suggesting buyside pressure is increasing. While the divergence is in play, market sellers should act with caution.

Capesize Index

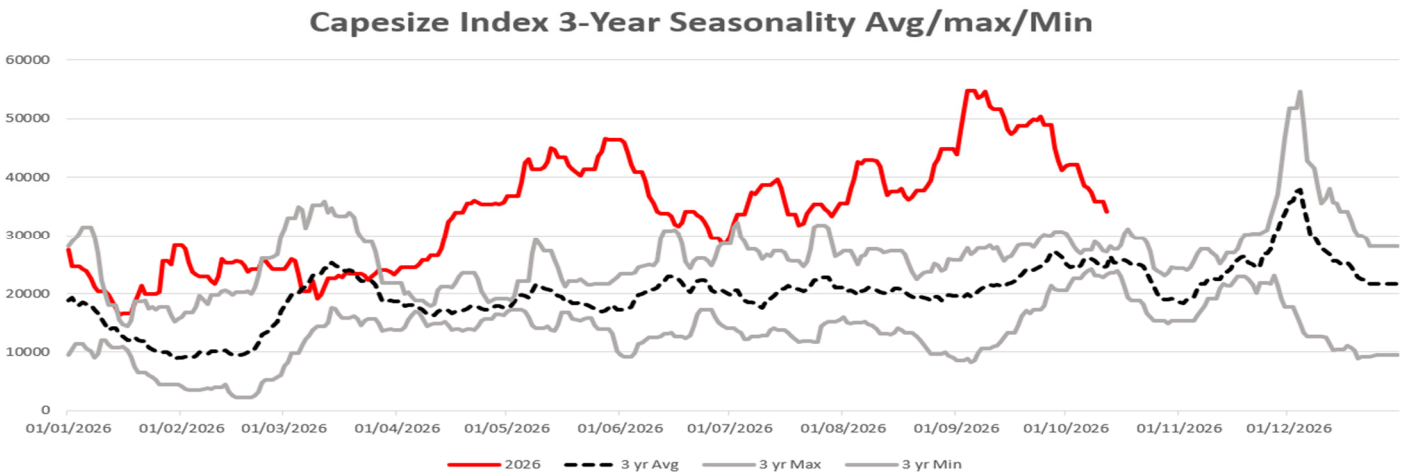


Support		Resistance		Current Price	Bull	Bear
S1	33,698	R1	37,350	34,115	Stochastic oversold	RSI below 50
S2	31,156	R2	40,320			
S3	30,636	R3	42,238			

Source Bloomberg

Synopsis

- Price is below the 8-21 period EMA's
- RSI is below 50 (25)
- Stochastic is oversold
- Price is below the weekly pivot point (USD 37,350)
- Technical outlook Previously: Sell side pressure increasing
- The move below USD 42,218 last week means that the probability of the index trading at a new high had started to decrease. The index had tested and rejected the 55-period SMA at USD 42,629, implying support levels remain vulnerable at this point, as did the RSI move below 40. Market sellers should act with caution on a close back above the weekly pivot level, as this represented a balance point in the market, above this level would suggest buyside support is entering the market.
- The index has sold down to the 200-period MA, we are below the 8-21 period EMA's supported by the RSI below 50.
- Momentum based on price is aligned to the sell-side, a close above USD 36,573 would mean it is aligned to the buyside. Upside moves that fail at or below USD 44,837 would leave the futures vulnerable to further tests to the downisde, above this level would signal an increase in buyside pressure.
- Technical outlook: Inflection point
- The index is now testing the 200-period MA at USD 33,698, meaning we are at an inflection point. A close and hold below the average would leave market sellers looking to test the trend support line at USD 30,636; conversely, market sellers should act with caution on lower moves that fail to hold below the average, as it would signal it is being defended by the market. A close above the weekly pivot level at USD 37,350 would signal an increase in buyside pressure.



Capesize Nov 26

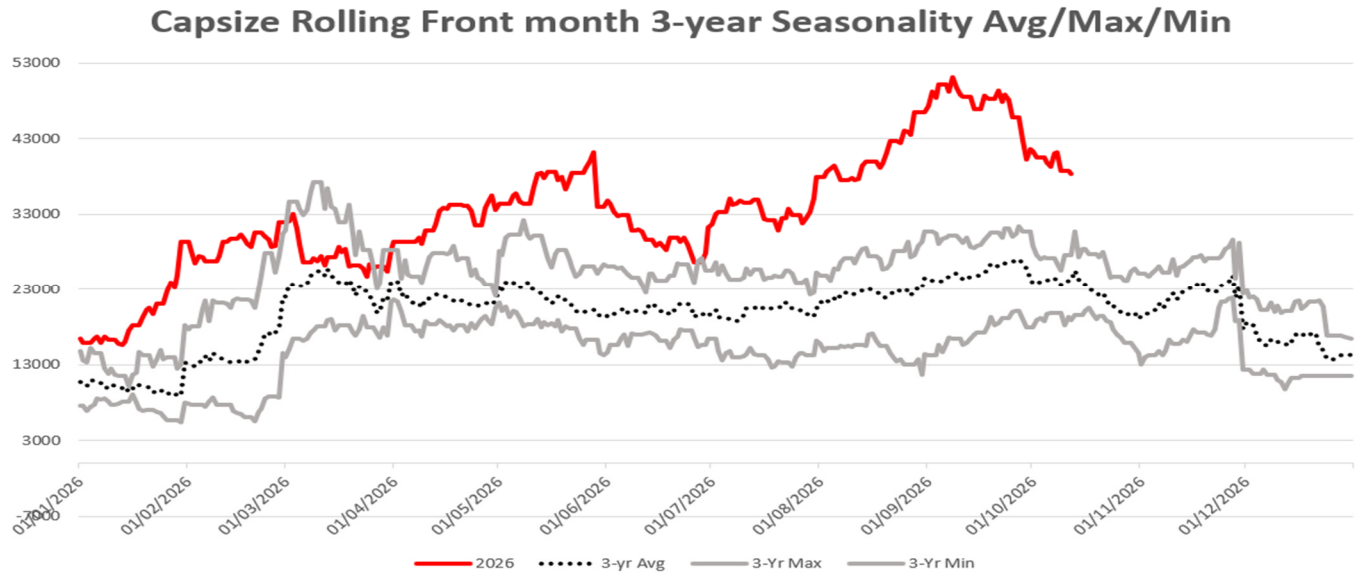


Support		Resistance		Current Price	Bull	Bear
S1	36,850	R1	40,628	37,975	RSI below 50	Stochastic oversold
S2	35,875	R2	42,175			
S3	35,613	R3	44,677			

Synopsis

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (34)
- Stochastic is oversold
- Technical Outlook Previously: Minor positive divergence in play.
- The downside move to a new low last week had created a minor positive divergence with the RSI, the divergence was more prominent on the intraday technical. We noted that the divergence was a condition that warned that sell side momentum could slow, meaning it needed to be monitored to see if it was being respected. Upside moves above USD 42,875 would signal an increase in buyside pressure, warning that the USD 47,337 resistance could be tested. Conversely, if the divergence fails (on both timeframes), it would warn that the technical could deteriorate further. While the divergence was in play, we had a cautious approach to lower moves.
- The futures traded at a high of USD 42,175 before selling back to new lows. We are below the 8-21 period EMA's supported by the RSI below 50.
- Upside moves that fail at or below USD 46,700 would warn that there could be a larger, more complex corrective phase in play.
- Technical Outlook: Potential lower timeframe Elliott wave extension
- The daily RSI has made a new low, while the intraday 4-hour RSI remains divergent, this does suggest that caution is still warranted on lower moves at this point. However, the 1-hour RSI has broken near-term support, implying we could be looking at a lower timeframe bearish Elliott wave extension. Upside moves that fail at or below USD 40,628 will warn that support level could come back under pressure, while a move above the USD 42,175 fractal resistance would suggest market buyers are becoming dominant. Mixed signal suggest focus should be on the USD 40,628 resistance.



Capesize Q1 27

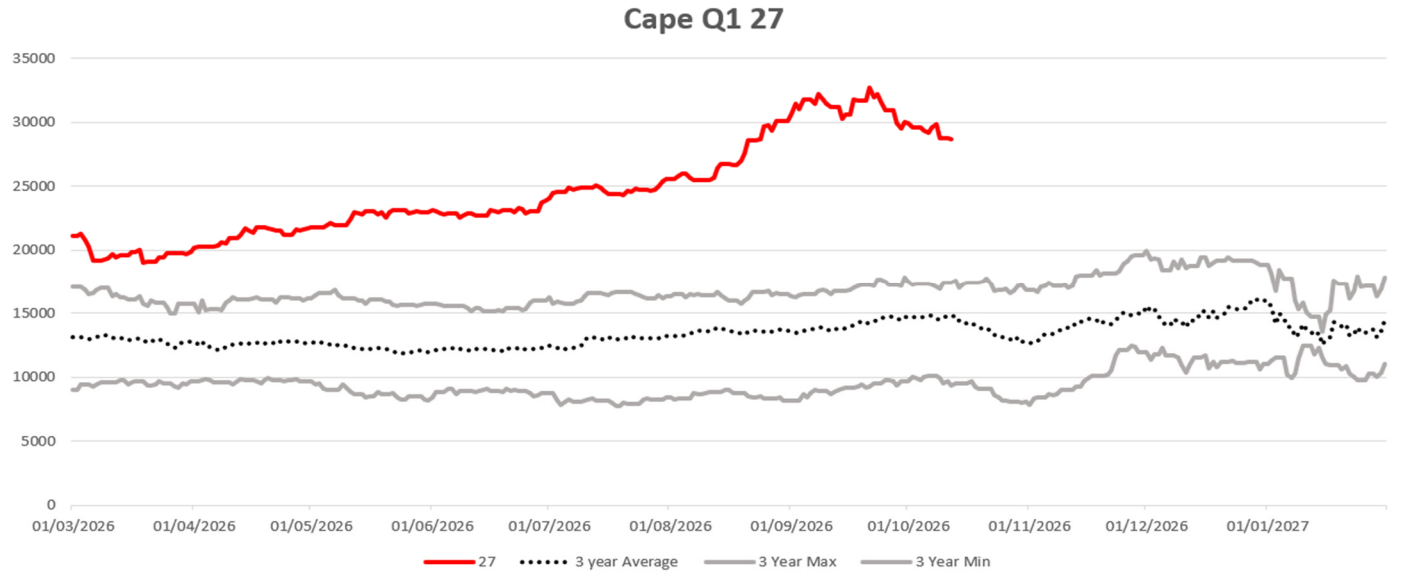


Support		Resistance		Current Price	Bull	Bear
S1	28,245	R1	29,640	28,700	Stochastic oversold	RSI below 50
S2	27,737	R2	30,125			
S3	26,775	R3	31,604			

Synopsis

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (41)
- Stochastic is oversold
- Technical outlook Previously: corrective
- The futures were in a corrective phase last week with price testing the 55-period EMA at USD 28,817; a close and hold below the average would warn that the USD 28,245 support could come under pressure in the near-term. Longer-term support was at USD 26,775, as this is the 100% Fibonacci projection of the initial move lower. Upside moves that failed at or below USD 30,030 would leave support levels vulnerable; conversely, a close and hold above USD 30,625 would signal buyside pressure was increasing. We marked USD 31,663 as the key resistance, if rejected, it would warn that there could be a larger corrective phase in play. Price was testing the EMA support with the 4-hour RSI in divergence, implying caution on lower moves in the near-term. For downside continuation, we needed to close and hold below the average, with the RSI making new lows.
- The futures initially held the 55-period EMA resulting in price trading at a high of USD 30,125; however, price has since sold lower. We are below all key moving averages supported by the RSI below.
- Downside moves that hold at or above USD 23,834 would support a longer-term bull argument, below this level the technical would have a neutral bias.
- Technical outlook: Sell side pressure increasing
- The technical outlook has the potential to be misleading, as the current candle is still open. If we close and hold below the 55-period EMA at USD 28,923 with the RSI below 40, it would indicate sell side pressure is increasing. If the RSI holds above 40, and price fails to hold below the 55-period EMA, it will warn that there is underlying support in the market. We have warning signs that sell side pressure could be increasing; however, we need to see further downside at this point.



Capesize Cal 27

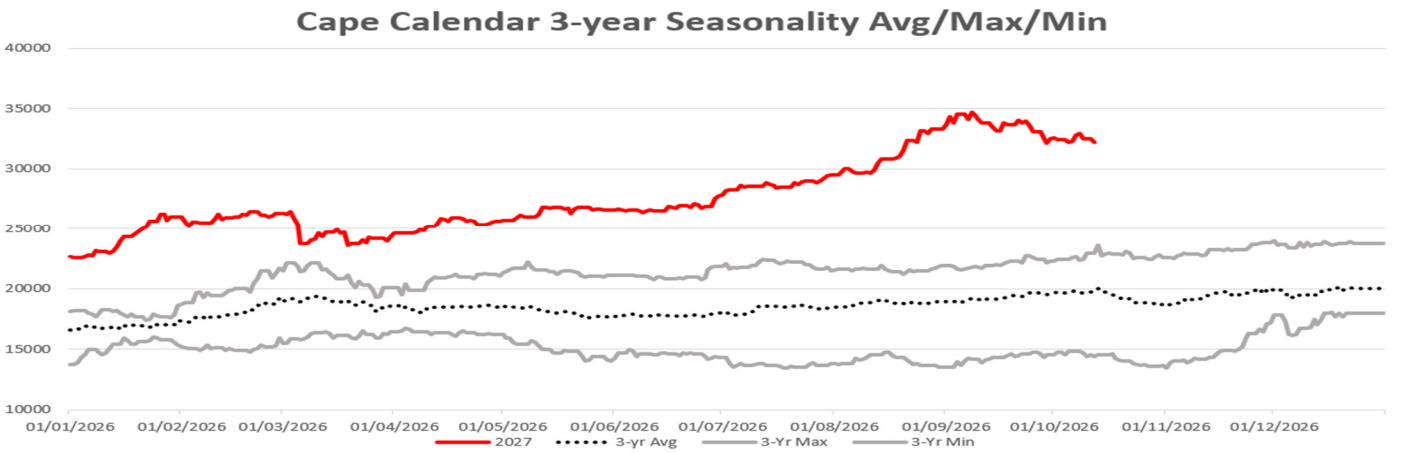


Support		Resistance		Current Price	Bull	Bear
S1	31,800	R1	33,193	32,225	Stochastic oversold	RSI below 50
S2	30,525	R2	33,916			
S3	29,157	R3	34,800			

Synopsis

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (43)
- Stochastic is oversold
- Technical Outlook last week: bullish throwback
- The futures remained in a corrective phase last week with the RSI showing negative velocity and negative acceleration, meaning the USD 31,800 support remained vulnerable at that point. As highlighted previously, USD 31,800 was the 100% Fibonacci projection of the first corrective wave, projected from the high of the second wave; market sellers should act with caution around this level, as it had the potential to attract buyside support. Conversely, caution was warranted if the RSI held above the 40 level, as it would warn of momentum support. A close and hold below USD 31,800 with the RSI below 40 would leave the primary trend support at USD 29,747 vulnerable.
- The futures traded at a high of USD 33,125 before coming back under pressure. We are below the 8-21 period EMA's supported by the RSI below 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: bullish throwback
- Unchanged on the technical this week, the futures remain in a corrective phase with price moving below the 50-period SMA; however, the RSI remains above the 40 level at this point. As highlighted previously, USD 31,800 is the 100% Fibonacci projection of the first corrective wave, projected from the high of the second wave; market sellers should act with caution around this level, as it has the potential to attract buyside support. Conversely, caution was warranted if the RSI holds above the 40 level, as it would warn of momentum support. A close and hold below USD 31,800 with the RSI below 40 would leave the primary trend support at USD 29,747 vulnerable. From the outside, it looks like the Cal is seeing a slow correction into a rising 200-period MA, as it looks to close the reversion gap.



Capesize C5 Nov 26 (Heiken Ashi Chart)



Support		Resistance		Current Price	Bull	Bear
S1	13.75	R1	15.80	14.25	Stochastic oversold	RSI below 50
S2	13.17	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 below the 8-21 period EMA's
- RSI is below 50 (31)
- Stochastic is oversold
- Technical outlook Previously: Sell side pressure increasing
- The close and hold below the trend support line previously indicated that sell side pressure had increased, this is supported by the RSI which had moved below the 40 level, signaling momentum weakness. Upside moves that failed at or below USD 15.98 would warn that the corrective phase had the potential to be more complex. Market sellers should act with caution if the RSI reclaims and holds above the 40 level, as it would suggest momentum was becoming supported, warning resistance levels could come under pressure.
- The futures continue to come under pressure with price trading at new low. We remain below the 8-21 period EMA's supported by the RSI below 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: Positive divergence
- The futures have traded at new lows, the RSI has not, signaling a positive RSI divergence. This is a condition that warns that sell side momentum could slow down, it is not a buy signal and needs confirmation from bullish price action. Upside moves that fail at or below USD 15.80 would warn support levels could come under further pressure; conversely, above USD 15.80 the probability of the futures trading at a new low would start to decrease, suggesting buyside pressure is increasing. While the divergence is in play, market sellers should act with caution.

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