

FIS Panamax Technical Report

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FIS Panamax Technical Report

Synopsis:

Index

The technical pullback is considered deep taking the index from bullish/corrective, to neutral. The RSI is below 50 and in bearish territory but has created a bullish hidden divergence (the RSI has created a lower low, where the index has not). Not a buy signal, it is warning that we have the potential for a momentum slowdown. Price action above the USD 11,038 level would indicate buying pressure is increasing targeting the USD 12,144 resistance.

OCT

The upside moves has taken the October futures into a neutral phase, price action above the USD 13,050 level would create a higher high in the market and be considered as bullish. Neutral in price, this is supported by an RSI at 50 and flat EMA's. A close below USD 12,394 would indicate the technical picture is starting to weaken; however if downside moves fail to close below this level then upside resistance has a higher chance of being tested.

Q4

A contradictory technical having made a lower low, followed by a higher high. Our Elliott Wave analysis pointed to cycle completion meaning the upside move is potentially an Elliott Wave B (known as a bull trap). Price action that trades above the USD 12,879 level would take the technical into a neutral phase; however, to be considered as bullish it would have to trade above the USD 13,525 level, opening up the possibility of a new cycle. Downside moves that close below USD 12,182 would suggest the technical picture is weakening and entering another corrective wave lower.

Cal 21

We highlighted last week that the futures needed to make a new high for the minimum requirement of cycle completion, and this has now been achieved. The potential upside target remains unchanged at USD 10,341, however due to divergences on both the RSI and the stochastic the futures are not considered a technical buy. A close below USD 10,014 would signal technical weakness, below USD 9,675 a new low will have been made.

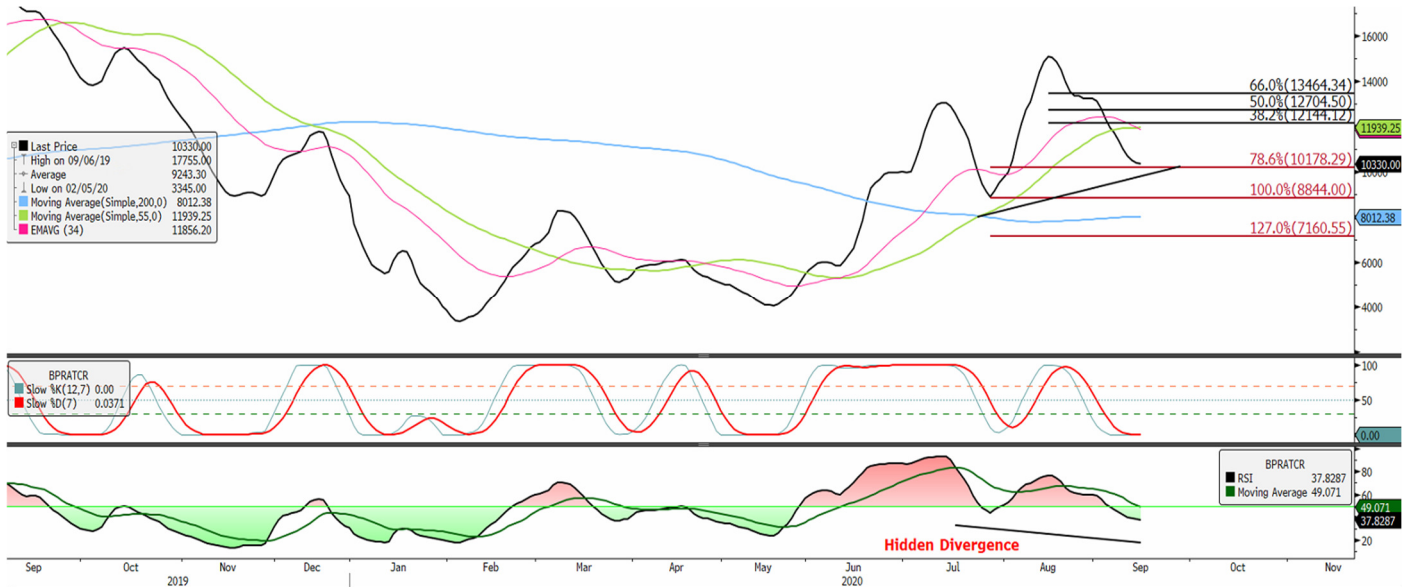
Chart Source Bloomberg

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Panamax Index



	Support	Resistance	Current Price	Bull	Bear
S1	10,178	R1	12,144	Stochastic oversold	RSI below 50
S2	8,884	R2	12,704		
S3	7,160	R3	13,464		

Synopsis - Intraday

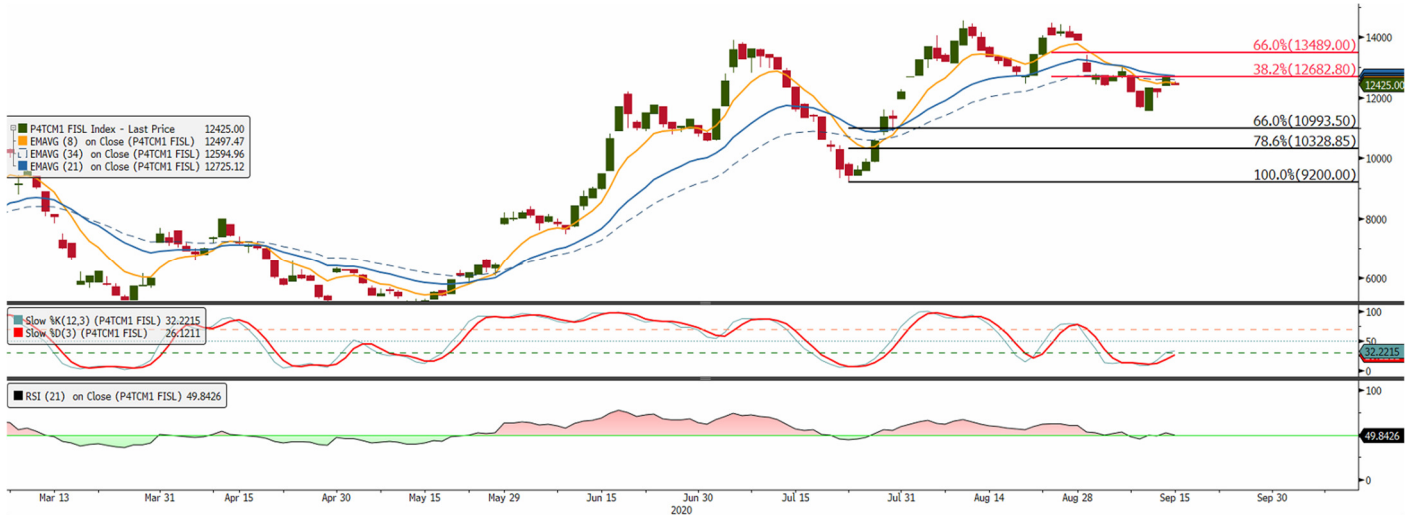
Chart source Bloomberg

- Price is below the 34 and 55 period averages
- RSI is below 50 (37)
- Stochastic is oversold
- The pullback is considered as deep meaning the technical is now neutral
- The RSI has is below 50 and making new lows. However, the futures have not made a lower low creating a hidden bullish divergence. Not a buy signal it does warn of a potential momentum slowdown
- Fibonacci resistance is between USD 12,144—USD 13,464; upside moves that fail in the resistance zone remain vulnerable to further tests to the downside, above the resistance zone price would be considered as deep, suggesting the technical is entering into bullish territory
- The technical has gone from bullish/corrective to neutral, the hidden divergence would suggest the current downside move is starting to look overextended. This would suggest we could see an upside move soon. A close above USD 11,038 would indicate buying pressure is increasing with USD 12,144 the near-term upside target

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Panamax Oct 20



Support		Resistance		Current Price	Bull	Bear
S1	11,575	R1	12,682	12,425	Stochastic oversold	RSI below 50
S2	10,993	R2	13,050			
S3	10,328	R3	13,489			

Synopsis - Intraday

Chart Source Bloomberg

- Price is on the 8–21 period EMA's
- RSI is below 50 (49)
- Stochastic is oversold
- The futures remain in a corrective phase with the upside move failing to break the Fibonacci resistance level. This has resulted in lower pricing down to USD 11,575
- The current upside move has taken the futures into a neutral phase, based on a deep pullback. Price action that trades above the USD 13,050 level would create a higher high in the market and take the technical into bullish territory
- The RSI is neutral at 49 with the stochastic oversold, momentum implies the technical is vulnerable to further tests to the upside. However, if the intraday 4-hour 21 period RSI goes below 44, then momentum should be considered as weak giving us a near-term downside target of USD 11,575
- Price action is neutral and this is supported by the RSI at 50 and flat EMA's. A close on the daily technical below USD 12,394 would indicate a weakening technical picture. However, if price continues to close above this level then upside resistance has a higher probability of being tested

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Panamax Q4



	Support	Resistance	Current Price	Bull	Bear
S1	11,625	R1	12,645	RSI above 50	
S2	11,495	R2	12,879		
S3	11,108	R3	13,525		

Synopsis - Intraday

Chart source Bloomberg

- Price is between the 8—21 period EMA's
- RSI is above 50 (54)
- Stochastic is oversold
- Neutral last week based on the deep pullback, the technical had shown signs of being oversold. Price action broke down for the following two days, before holding at the USD 11,495 support
- The futures have now made a lower low taking the technical into bearish territory. The upside move has made a higher high, but with our Elliott wave analysis pointing to cycle completion (for now at least), then the upside move, although bullish in price is possibly a wave B upside corrective move (also known as a bull trap)
- Price action above USD 12,879 would take the technical into a neutral phase but also a bullish resistance window. If the futures do trade above USD 13,525 then it opens the possibility of a new cycle starting. Price action that fails at or below the USD 12,879 level remains vulnerable to further downside moves
- A close below USD 12,182 would indicate technical weakness suggesting the futures have entered another corrective phase

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Panamax Cal 21



	Support	Resistance	Current Price	Bull	Bear
S1	9,800	R1	10,341	RSI above 50	Stochastic overbought
S2	9,675	R2	10,424		
S3	9,250	R3	10,528		

Synopsis - Intraday

Chart Source Bloomberg

- Price is above the 8–21 period EMA's
- RSI is above 50 (59)
- Stochastic is in divergence
- On the last report we highlighted that the futures needed to trade above the USD 10,175 level for the minimum requirement of cycle completion. The futures made hard work of it, but a new high has now been achieved
- The near-term upside target remains at USD 10,341 with further resistance up to USD 10,528
- Technically bullish, both the RSI and the Stochastic are showing a negative divergence. Not a sell signal it does highlight the potential for a momentum slow down soon. For this reason the futures are not considered a technical buy at this point
- Downside moves that close below the USD 10,014 level would suggest the daily technical is starting to weaken. Price action below USD 9,675 the futures will have made a lower low in the market and be considered as technically bearish.