

FIS Supramax Technical Report

info@freightinvestor.com | www.freightinvestorservices.com | (+44) 207 090 1120

FIS Supramax Technical Report

Synopsis:

Index

The index is technically bullish but has entered a corrective phase. The negative divergence on the RSI means that upside moves would not be considered as technical buy. Downside moves below USD 9,289 would create a lower low and confirm the index is in bearish territory.

October

The futures have made a lower low but remain within the last bull wave. For this reason, the downside move is still considered as corrective and not bearish. USD 10,181 is a key support level, below this point and the daily technical moves into a neutral phase. Upside moves above the USD 10,823 level would suggest the technical is gaining in strength and above the USD 11,025 level it would be back in bull territory having broken fractal resistance.

Q4

It turned out to be an unusually short wave 4 correction, before entering into classic 5-wave cycle completion. We based this on our Fibonacci analysis, with price breaking our upside target by less than USD 200. In the belief that we have seen cycle completion, the futures should in theory be in a bearish phase at this point. This would suggest that any upside price action should be considered as countertrend.

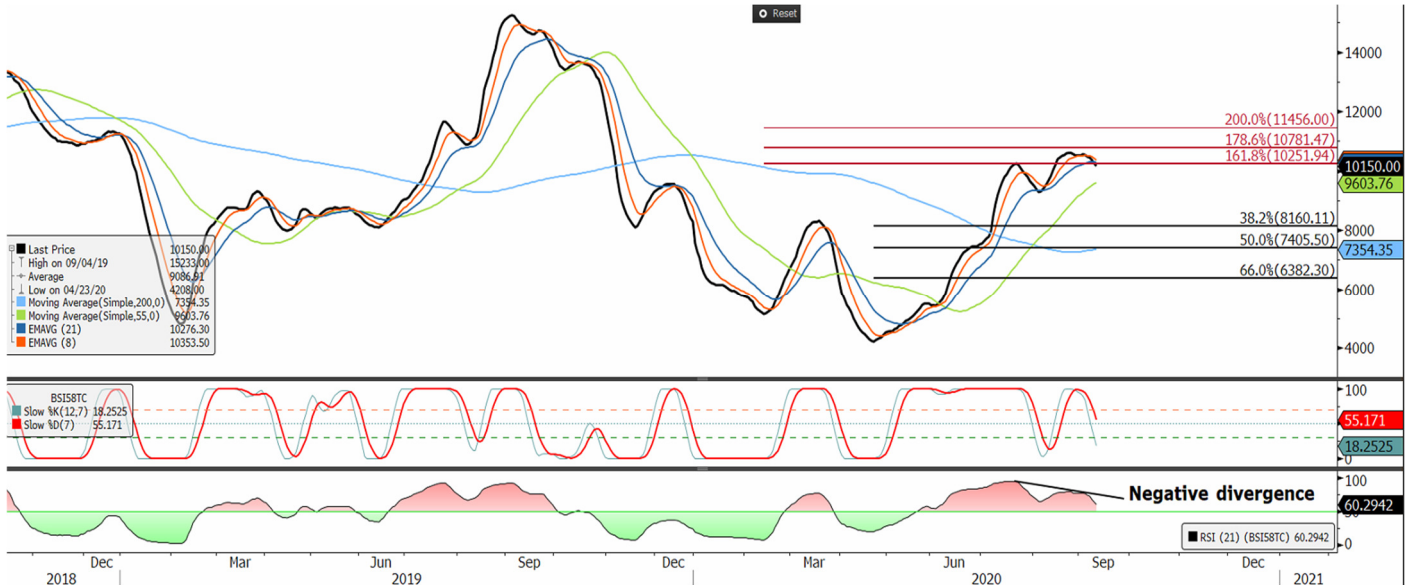
Cal 21

The futures have entered a USD 300 range with support at USD 8,950 and resistance at USD 9,250. for this reason the technical is considered as neutral but has a bearish bias based on the rest of the Supramax complex.

FIS Supramax Technical Report

info@freightinvestor.com | www.freightinvestorservices.com | (+44) 207 090 1120

Supramax Index



	Support	Resistance	Current Price	Bull	Bear
S1	9,289	R1	10,251	RSI above 50	Negative Divergence
S2	8,160	R2	10,781		
S3	7,405	R3	11,456		

Synopsis - Intraday

Chart source Bloomberg

- Price is below the 8–21 period EMA's
- RSI is above 50 (60)
- Stochastic is leaving overbought territory
- The index is entering a corrective phase and is now below the 8–21 period EMA's
- The RSI created a negative divergence on the new high. Although not a sell signal this did warn of a momentum slowdown and has resulted in the index moving lower
- Downside moves below the USD 9,289 technical would create a lower low in the market and confirm the index is in bearish territory
- Upside moves that make a new high would create a secondary negative divergence. For this reason, upside moves that make a new high would not be considered a technical buy on a new high
- Technically the trend is still considered bullish and has now entered a corrective phase. Upside moves are not considered as technically bullish due to the negative divergence

FIS Supramax Technical Report

info@freightinvestor.com | www.freightinvestorservices.com | (+44) 207 090 1120

Supramax Oct 20



Support	Resistance	Current Price	Bull	Bear
S1	R1	10,375	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Chart source Bloomberg

- Price is below its short and medium term averages
- RSI is below 50 (45)
- Stochastic is oversold
- The daily technical is making lower highs and lower lows on the back of the negative divergence in August and has entered a corrective phase. However the longer-term footprint remains bullish at this point
- Downside moves that hold above the USD 10,181 level would keep the technical in bullish territory leaving it vulnerable to further upside moves. Below this level the pullback would be considered as deep and the phase neutral
- Upside moves above the USD 10,823 would suggest momentum is gaining in strength and above USD 11,025 the futures would break fractal resistance and create a higher high in the market. At this point the technical would be on a bullish footing
- The RSI is below 50 and in negative territory with the momentum slope heading lower on the back of the divergence. This would suggest that upside resistance levels should hold in the near-term
- The technical is corrective and in a support zone, below USD 10,181 this changes to neutral. Momentum, suggest that upside resistance levels should hold.

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at www.freightinvestorservices.com

FIS Supramax Technical Report

info@freightinvestor.com | www.freightinvestorservices.com | (+44) 207 090 1120

Supramax Q4 (rolling Qtr)



	Support	Resistance	Current Price	Bull	Bear
S1	10,075	R1	10,525	Stochastic oversold	RSI below 50
S2	9,925	R2	10,805		
S3	9,368	R3	11,000		

Synopsis - Intraday

Chart source Bloomberg

- Price is below short and medium term moving averages
- RSI is below 50 (46)
- Stochastic is oversold
- On the last report we highlighted the futures were in a corrective wave 4 having been in an extended wave 3 and this has proven to be the case. The cycle completed above the USD 10,805 (high USD 11,00) making it a classic Elliott wave cycle. However, what we failed to spot was the short Q4 phase as we still had upside moves as being corrective on the intraday
- The futures are now below its averages whilst making lower highs and lower lows confirming that the bull cycle that started in March looks to have completed
- Upside moves above the USD 10,525 would create a higher high in the market. However, based on the belief that we have seen an Elliott wave cycle completion, we would have to conclude that this is a countertrend move
- The RSI has entered bearish territory with the stochastic oversold. However, with the averages turning lower and the bearish momentum slope this would suggest that upside resistance levels should hold
- Technically bearish based on cycle completion

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at www.freightinvestorservices.com

FIS Supramax Technical Report

info@freightinvestor.com | www.freightinvestorservices.com | (+44) 207 090 1120

Supramax Cal 21



	Support	Resistance	Current Price	Bull	Bear
S1	8,950	R1	9,175	Stochastic oversold	RSI below 50
S2	8,825	R2	9,250		
S3	8,625	R3	9,275		

Synopsis - Intraday

Chart source Bloomberg

- Price is below all key averages
- RSI is below 50 (44)
- Stochastic is oversold
- On the last report we showed the intraday Elliott wave count which held up remarkably well right up until the point where the market stopped moving. (intraday count still available upon request)
- Price has held USD 8,950 level three times and USD 9,250 twice giving us a neutral market and a USD 300 range. This is supported by flat moving averages
- Technically neutral, bias leads to the bear side based on the rest of the Supramax complex.