

FIS Supramax Technical Report

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FIS Supramax Technical Report

Synopsis:

Index

The index remains technically bullish having created a higher high in the market. However, due to the negative divergence with both the RSI and the stochastic the index is not considered as a technical buy (it maybe on the physical or fundamental, but not from a technical perspective). Downside moves that close below the USD 10,570 level would indicate the technical environment is weakening and below USD 10,032 the technical is considered as bearish.

October

The technical trend remains bullish having held the key USD 10,181 support from the last report. Momentum and price will conflict if price trades above USD 11,675, warning we have the potential for a momentum slowdown. A close below USD 11,383 would indicate price is starting to weaken and below USD 10,900 the futures will have broken fractal support confirming it is in a corrective phase again.

Q4

It looks like I had been premature with the wave count on the last report as the q4 has gone on to make a new high by USD 75. Potentially we are nearing cycle completion but this is not yet confirmed by price. A move below USD 10,625 would break fractal support and should confirm the cycle is entering a bearish phase.

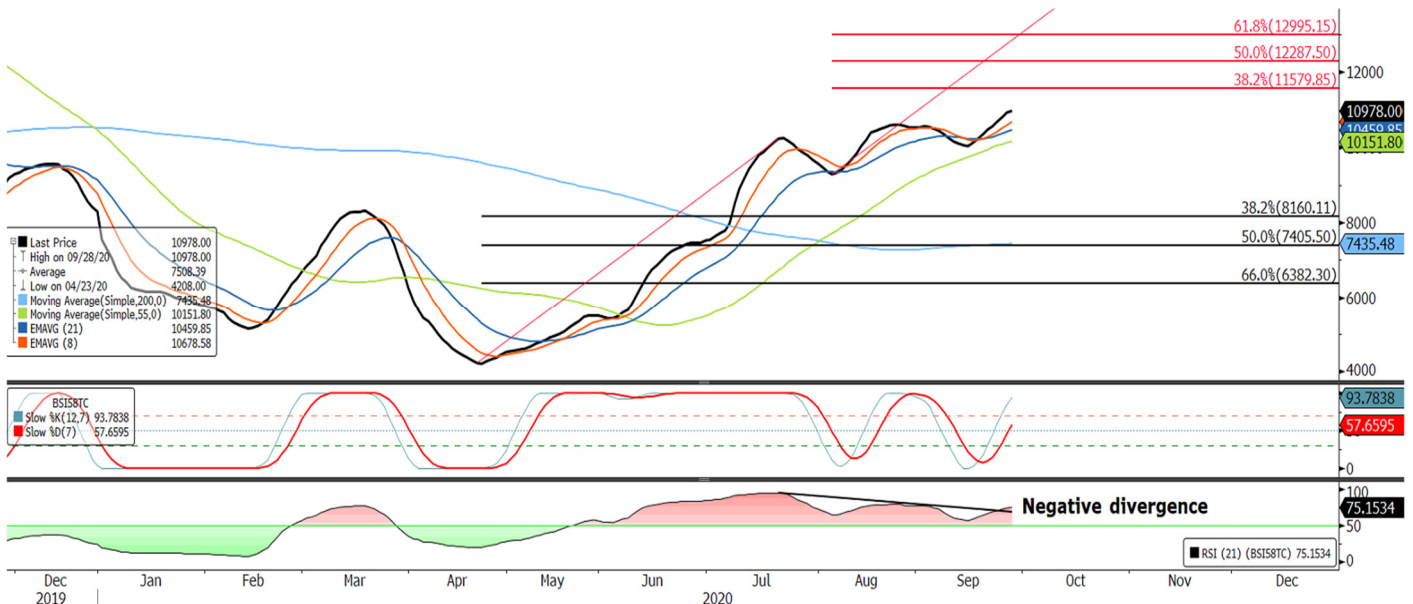
Cal 21

USD 9,425—USD 8,825 is the range for the Cal 21 futures. The overbought stochastic as we approach range resistance could encourage technical sellers to the market. Ultimately neutral, needs to see a breakout in either direction for directional bias.

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Supramax Index



	Support	Resistance	Current Price	Bull	Bear
S1	10,617	R1	10,978	RSI above 50	Negative Divergence
S2	10,032	R2			
S3	9,289	R3			

Synopsis - Intraday

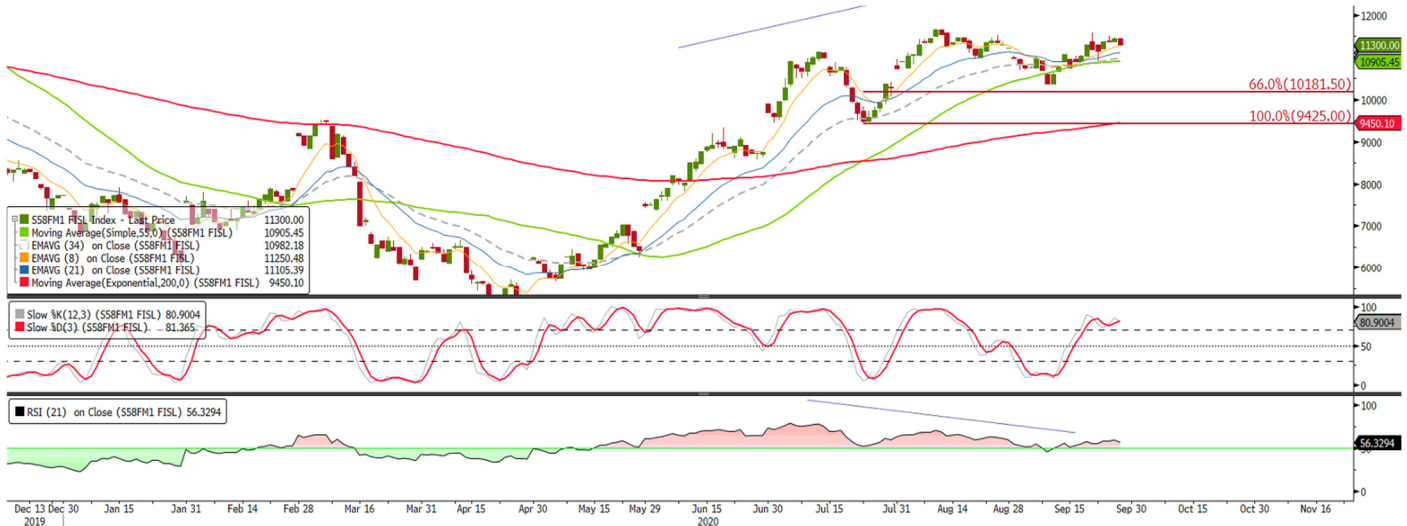
Chart source Bloomberg

- Price is below the 8–21 period EMA's
- RSI is above 50 (75)
- Stochastic is in divergence
- Technically bullish on the last report with the index pulling back on the negative divergence. Price failed to make a new low and has now made a higher high. Due to the negative divergence the index is not considered a technical buy
- Near-term upside resistance/target is between USD 11,579–USD 12,995
- Downside moves that close below USD 10,570 would indicate a weakening technical picture, below USD 10,032 the index will have made a lower low and be considered as bearish
- The index remains technically bullish and in trend with a near-term upside resistance/target starting at USD 11,579. The negative divergence with both the RSI and the stochastic are warning of a potential for a momentum slowdown. This does not mean the index is considered a sell; however, it does mean that from a technical perspective we maintain our view that the market is not considered a technical buy whilst in divergence.

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Supramax Oct 20



	Support	Resistance	Current Price	Bull	Bear
S1	10,900	R1	11,525	RSI above 50	Stochastic overbought
S2	10,350	R2	11,575		
S3	10,181	R3	11,675		

Synopsis - Intraday

Chart source Bloomberg

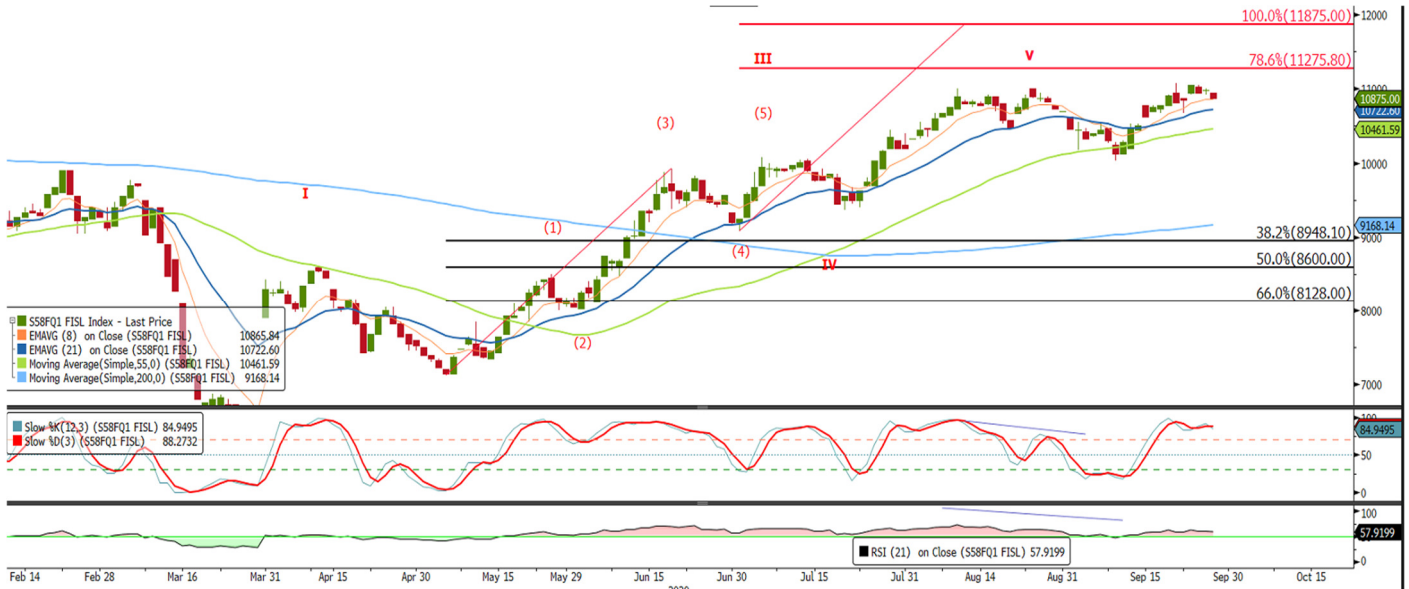
- Price is above all key moving averages
- RSI is above 50 (56)
- Stochastic is overbought
- On the last report the futures were in a corrective phase within a longer-term bull trend. Price action held above the USD 10,181 level keeping the technical phase bullish, this resulted in the futures trading up to USD 11,575
- The longer-term trend remains bullish; however above USD 11,675 the futures will be in divergence with the RSI. Although not a sell signal it does warn of the potential for a momentum slowdown. For this reason the futures would not be considered a technical buy on a new high breakout
- A close on the daily chart below USD 11,383 (current price 11,300) would indicate the technical phase is starting to weaken and imply we could be about to enter a corrective phase
- Price is technically bullish above its moving averages. However, momentum is warning that we could see a directional change soon as the daily price is looking weak

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Supramax Q4 (rolling Qtr)



	Support	Resistance	Current Price	Bull	Bear
S1	10,675	R1	11,075	RSI above 50	Stochastic overbought
S2	10,025	R2	11,275		
S3	9,400	R3	11,875		

Synopsis - Intraday

Chart source Bloomberg

- Price is above short and medium term moving averages
- RSI is above 50 (57)
- Stochastic is overbought
- based on the Elliott wave cycle we believed we had seen cycle completion, as highlighted on the previous chart. This suggested we had entered a corrective phase and implied that upside resistance level should hold
- The futures held on the 55 period MA and broke our upside resistance by USD 75, resulting in a higher high in the market. From an Elliott wave perspective it looks like we may have been a wave early for the market top
- Technically bullish we remain in trend. However, the negative divergence means the market is not considered a technical buy at this point. Downside moves below the USD 10,625 level would break fractal resistance and create a lower low in the market. At this point the trend would be considered as bearish
- The RSI in divergence, the stochastic is overbought and what looks like an Elliott wave cycle completion, all of which would suggest the trend has the potential to weaken soon. It is however currently bullish, until price tells you otherwise it remains in trend, there are warnings of potential weakness that need to be confirmed.

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Supramax Cal 21



	Support	Resistance	Current Price	Bull	Bear
S1	8,950	R1	9,309	RSI above 50	Stochastic overbought
S2	8,825	R2	9,412		
S3	8,625	R3	9,515		

Synopsis - Intraday

Chart source Bloomberg

- Price is above all key averages
- RSI is above 50 (44)
- Stochastic is overbought
- From a technical perspective little has changed. The futures remain in a ranging environment with the upper resistance band now moving to USD 9,425
- The RSI at 55 is in bullish territory with the stochastic in overbought territory and price near range resistance. Downside moves below USD 9,200 would suggest the technical picture is starting to weaken
- Technically neutral, needs to see a directional breakout above USD 9,425 or below USD 8,825