

FIS Panamax Q2 21

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Synopsis:

Based on the rolling front quarter chart there is the possibility that the futures have entered a bullish Elliott wave 3 of a much larger cycle. There is the possibility that the futures are in a cycle that is unconnected to the previous bull cycle as we have seen previously seen in the Capesize sector.

Downside moves that hold above the USD 9,877 level would support a buyers argument. However, below this level the wave cycle would be considered as weakened due to the depth of the pullback, with the potential to test the USD 9,283 support level. If the USD 9,283 level fails to hold then the technical would be considered as neutral, rather than bullish.

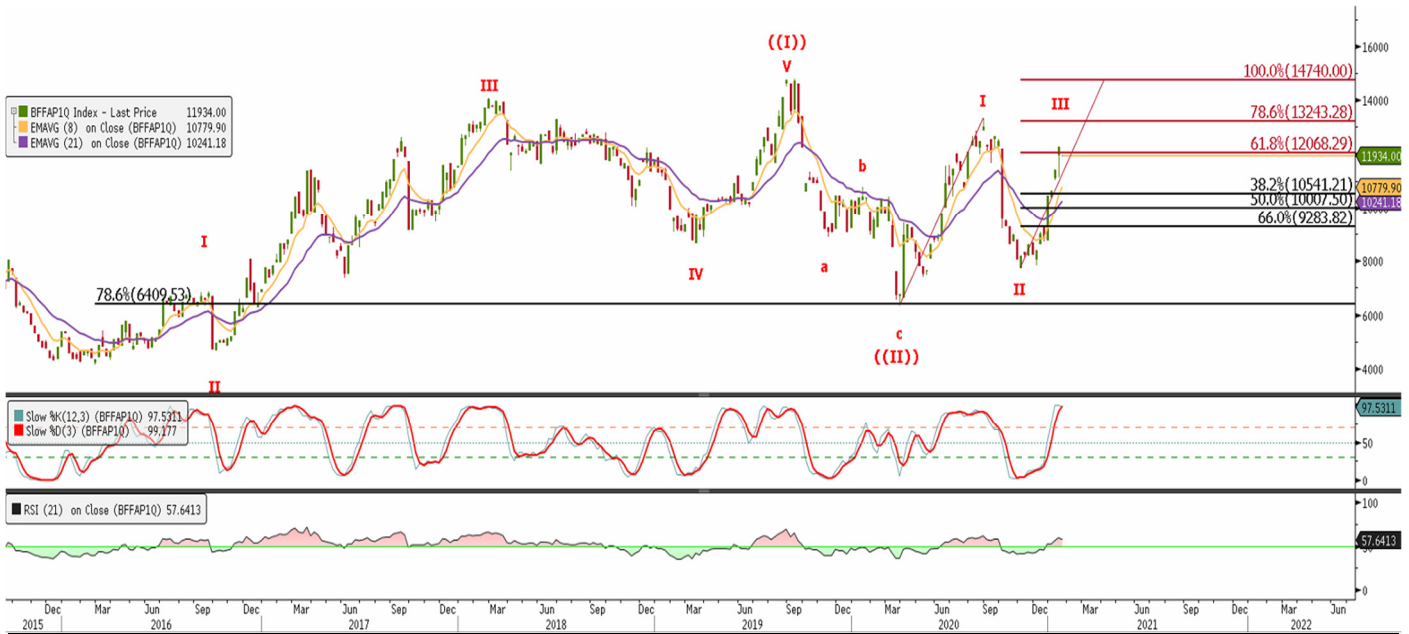
Intraday Elliot wave has the futures on wave 5 of wave 3, with a near-term upside target between the USD 12,575—USD 12,686 for the 5th wave.

The seasonality chart would support a corrective phase that should be fairly short in time. Average values have not gone onto make new highs over the last five years; however, if our wave analysis is correct then we could in theory see a bullish February and March into fresh market highs.

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Panamax Q2 Weekly Rolling Front Quarter



Support	Resistance	Current Price	Bull	Bear
S1	R1	11,934	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is at 50 (57)
- Stochastic is overbought
- The weekly rolling front quarter futures Q2 are above short and medium term EMA's with the futures producing a strong upside move into the last bearish wave down
- The RSI is above 50 with the stochastic in overbought territory. Weekly momentum is bullish but has the potential to see a technical pullback in the near-term
- Downside moves on the weekly chart that hold at or above the USD 9,283 level would support a buyers argument. Below this level the pullback would be considered as deep and the technical phase neutral
- It looks like we may have started a new bullish cycle at the end of March last year. If this is the case there is a chance that we are on a bullish wave 3 of a cycle that started in late 2015. However, it is important to note that on the Capesize futures we have seen a series of separate cycles over the same period that have not been linked to a higher timeframe cycle. The current cycle could be unrelated to the precious bull cycle

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Panamax Q2 Daily (Rolling Front Quarter)



Support		Resistance		Current Price	Bull	Bear
S1	10,884	R1	12,269	11,934	RSI above 50	Stochastic overbought
S2	10,456	R2	12,785			
S3	9,877	R3	13,247			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is at 50 (65)
- Stochastic is overbought
- The weekly rolling front quarter futures Q2 are above short and medium term EMA's with the futures producing a strong upside move into the last bear wave down
- The RSI is above 50 with the stochastic in overbought territory. The RSI is in divergence with price warning we have the potential to see a momentum slowdown and a technical correction soon.
- We noted on the weekly chart that downside moves that hold above the USD 9,283 level would support a buyers argument. On the daily chart his level is USD 9,877, price action that trades below the USD 9,887 level would warn the technical picture is weakening. It would also suggest that the USD 9,283 level could be tested in the near-term
- If the Elliott wave count on the weekly chart is correct, then the USD 13,334 resistance level could be tested and broken as could the USD 14,795 level. If the current upside move is a separate Elliott wave cycle then these resistance levels will have no real bearing on the technical, other than being previous highs

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Panamax Q2 (Intraday)



Support	Resistance	Current Price	Bull	Bear
S1	R1	12,075	RSI above 50	
S2	R2			
S3	R3			

Source Bloomberg

Synopsis - Intraday

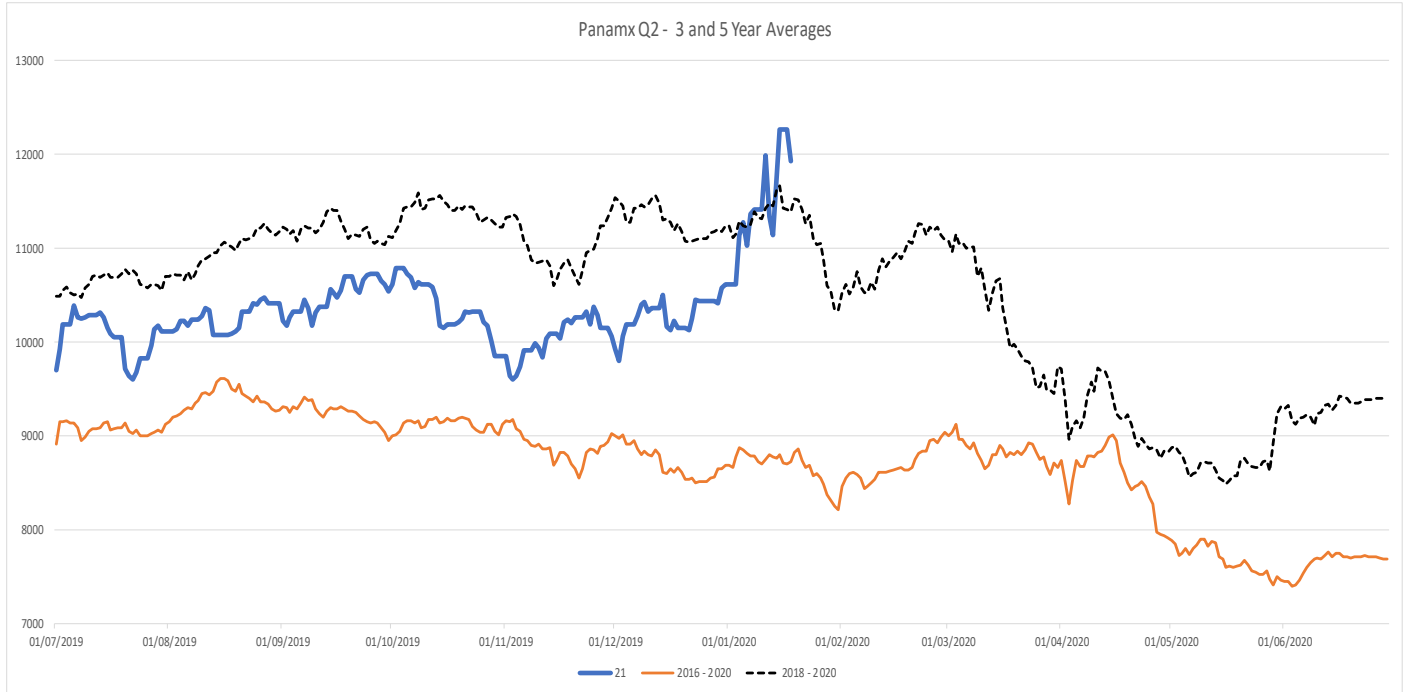
- RSI is above 50 (60)
- Stochastic is oversold
- Price is above the 8 –21 period EMA’s
- The intraday Elliott wave count is bullish with the futures on a wave 5 of an extended wave 3
- The RSI is in divergence warning we have the potential to see a momentum slowdown soon
- The RSI is above 50 with the stochastic oversold. Momentum is suggesting we have the potential for another test to the upside in the near-term
- Intraday Elliott wave analysis would support another test to the upside with a target zone between USD 12,575—USD 12,686 for the phase completion
- The wave 5 completion would also signal the wave 3 completion, this would indicate we should enter into a corrective move lower (Wave 4)
- Based on Elliott wave the Q2 21 futures should enter a corrective wave soon. However, based on the longer-term cycle downside moves should be considered as countertrend

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Panamax Q2 Seasonality



Synopsis - Intraday

Source Bloomberg

- The chart above gives us the 3 and 5 year average values for the Q2 Panamax futures
- The solid line represents the current market value for the Q2 futures based on the close on the 18/1/21. price is above both the 5 and 3 year average values
- Both the 3 and 5 year average values would suggest we could be about to enter into a corrective wave soon
- Elliott wave analysis would also suggest we could soon enter a corrective phase, supporting the near-term seasonality chart
- Our intraday wave analysis would suggest that there is further upsides after a corrective phase. The seasonality chart point to a bullish February and March, historically the bull phase has not made a higher high, however we believe it could this year based on the bullish Elliott wave theory.