

# FIS Supramax Technical

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

## Synopsis

### Index

The index is technically bullish with price above the 8—21 period EMA's whilst the RSI is above 50. However, the RSI has produced a negative divergence whilst price is rejecting a key resistance level. Technically bullish but not a technical buy as momentum indicators is warning we could enter a corrective phase soon. Key support is at USD 22,302, if it holds the longer-term trend remains bullish if it fails the technical enters a neutral phase.

### July 21

The trend is bullish, but price is in our upside target zone with the RSI in divergence with price. The divergence is not a sell signal, it is a warning that we have the potential for a momentum slowdown soon. Intraday wave analysis is also in divergence, suggesting we could be nearing wave completion of the extend wave 3 that started in Dec-20, meaning we could soon enter a larger wave 4 (counter trend move). Upside moves the close above the USD 27,375 level would mean momentum is improving based on price, however the wave count is suggesting upside moves could be limited from here.

### Q3 21

Not a clear technical as the intraday wave analysis is suggesting that there is further upside in this q3, whereas the July is showing signs of exhaustion. One would expect both wave counts to be in line with each other, but they currently are not. However, this could be a function of the roll into Q4 with is trading at a USD 4,300 discount. We do have a divergence with the RSI on the daily technical warning of a potential momentum slow down. Below USD 24,150 the futures will have created a lower low indicating the technical is entering a corrective phase.

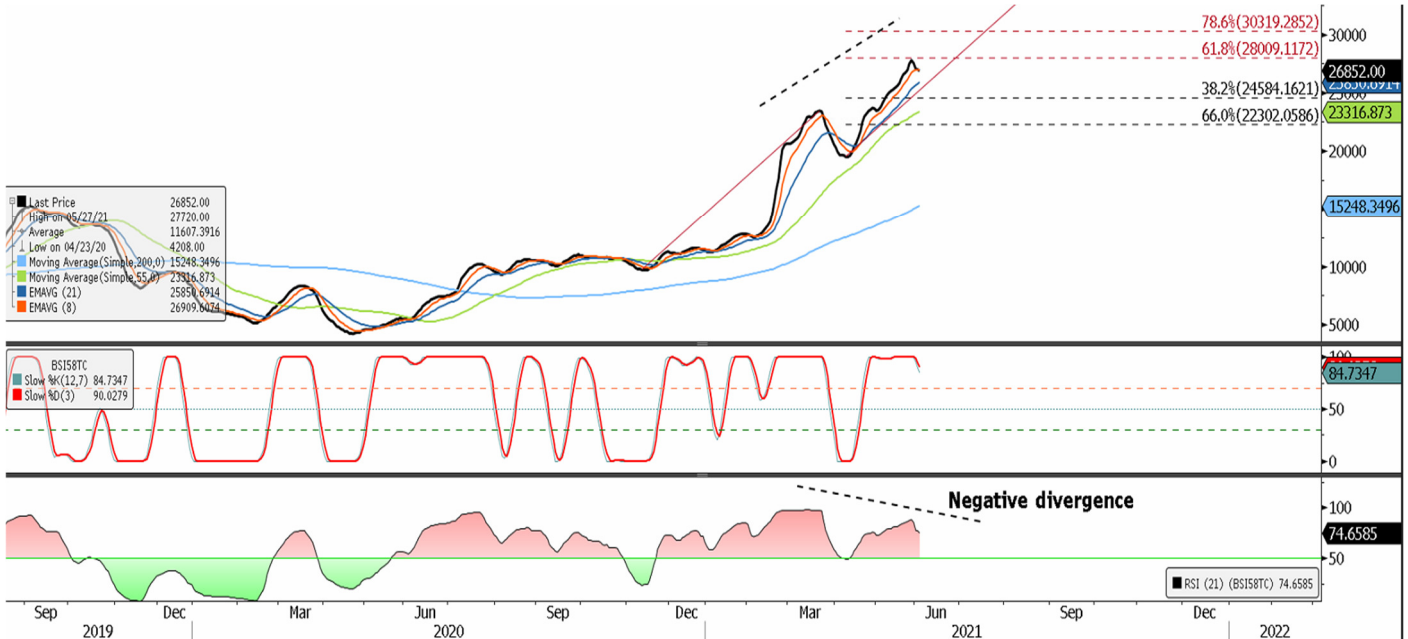
### Cal 22

The futures remain technically bullish with a hidden divergence suggesting we could trade back above the USD 16,025 high. The caveat is that with a new high will come a negative divergence warning that we have the potential to see a momentum slowdown soon. Technically bullish, hidden divergences tend to create the final bull wave before a corrective phase. The longer-term trend is considered as bullish so downside moves would be considered as countertrend at this point.

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## Supramax Index



Support	Resistance	Current Price	Bull	Bear
S1	R1	26,852	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

### Synopsis - Intraday

Source Bloomberg

- Price is above the 8- 21 period EMA's
- RSI is above 50 (74)
- Stochastic is overbought
- Price is above the 8—21 period EMA's with the RSI above 50 indicating the index is in a bullish trending environment
- The index is now finding resistance at the 61.8% Fibonacci projection level (USD 28,009) with the RSI showing a negative divergence. The divergence is not a sell signal it is a warning that we have the potential for a momentum slowdown
- Corrective moves lower that hold at or above the USD 22,302 level would support a bull argument, below this level the pullback is considered as deep meaning the technical phase is considered as neutral. This would also warn that the USD 19,511 fractal support could be tested
- Upside moves that close above the USD 27,244 level would indicate that momentum is improving based on price
- Technically bullish but at a key resistance level with the futures in divergence meaning the market is not considered a technical buy, as momentum is warning we have the potential to enter into a corrective phase

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## Supramax July 21



Support	Resistance	Current Price	Bull	Bear
S1	R1	27,125	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

### Synopsis - Intraday

Source Bloomberg

- Price is above the 8 - 21-period EMA's
- RSI is above 50 (60)
- Stochastic is overbought
- The trend remains technically bullish with the futures making higher high and high lows, price is above the 8—21 period EMA's with the RSI above 50.
- The Upside moves is on the back of a hidden divergence (the RSI made a lower low but price did not). A close above the USD 27,375 level would indicate that momentum is improving based on price, warning we could test the USD 28,250 high
- Our upside target zone between USD 26,741 –USD 17,571 has been breached with price now holding within this area. As highlighted on the chart, we have a negative divergence in play that would imply we have the potential for a momentum slowdown soon.
- Downside moves that close below the USD 25,250 level would indicate that momentum is weakening based on price, whilst a close below the USD 24,625 level would create a lower low in the market. However, corrective moves lower that hold at or above the USD 20,544 level would support a bull argument
- Technically bullish but not a technical buy as price is now in our target zone with a negative divergence in play, suggesting we are nearing cycle completion of this phase.

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## Supramax Q3 21 (rolling front quarter)



Support		Resistance		Current Price	Bull	Bear
S1	24,150	R1	26,331	25,850	RSI above 50	Stochastic overbought
S2	21,504	R2	29,525			
S3	18,342,20,162	R3	33,554			

### Synopsis - Intraday

Source Bloomberg

- Price is above the 8 - 21-period EMA's
- RSI is above 50 (68)
- Stochastic is overbought
- The rolling front quarter (and the outright Q3) are both technically bullish with price above the all key averages and the RSI above 50
- The RSI is showing a negative divergence warning we could see a momentum slowdown soon. However, our lower timeframe wave analysis is indicating that downside moves should be considered as countertrend at this point
- Corrective moves lower that trade below the USD 24,150 level would create a lower low in the in the market and warn that we have the potential to test the Fibonacci support zone between USD 21,054 and USD 18,342. Note: the Q4 is trading at a USD 4,300 discount with the futures rolling at the end of the month, meaning the support could be tested at a later date, by proxy of the roll
- Upside moves that trade above and hold above the USD 26,331 level have the potential to trade as high as USD 29,525
- The July futures and the q3 futures are both currently on a bullish wave, the cycles are not in line as the Q3 is suggesting that there is more upside in this wave 3, whereas the July is signalling exhaustion, it could be that our intraday oscillator on the Q3 is reading the wave count wrong as the roll into q4 is substantially discounted at this point

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## Supramax Cal 22



Support	Resistance	Current Price	Bull	Bear
S1	R1	15,725	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

### Synopsis - Intraday

Source Bloomberg

- Price is above the 8 - 21-period EMA's
- RSI is above 50
- Stochastic is overbought
- The futures remain in an extended wave 3 with price above all key moving averages with the RSI above 50
- Downside moves that trade close below the USD 15,250 level would indicate that momentum is weakening based on price. Below USD 14,750 the futures will have made a lower low in the market indicating the futures have entered a corrective phase and warn the USD 14,280 support could be tested
- Both the RSI and the stochastic have made a lower low but the futures have not, this is known as a hidden divergence and warns that we have the potential to test the USD 16,025 high. Due to the lower low on the RSI an upside move is likely to create a negative divergence above USD 16,025 indicating we have the potential for a momentum slowdown soon.
- The trend is technically bullish and looks like it could trade above the USD 16,025 level. However new highs will create further negative divergences warning upside moves could be limited