



# Supramax Technical Report

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

## Synopsis

### Index

As noted on the last report the RSI was showing a bullish hidden divergence whilst on a long-term support, the index is now USD 2,000 higher with the RSI above the 50 level. However, the stochastic is now overbought with the RSI below 50, technically if this were a future momentum would be vulnerable to a test to the downside; however, with recent price movements this has not been the case. If we close above the 21-period EMA price will target the 200-period MA at USD 29,216, price however remains vulnerable to downside moves below USD 34,666. A close below USD 25,928 would indicate that momentum is weakening based on price, warning the USD 24,585 low could be tested. Technically bearish but momentum is to the buy side.

### Jan 22

On the Dec contract we highlighted the potential for a mean reversion trade last week, that trade is in play as the futures are USD 2,800 higher. The same trade is on the cards for the Jan 22 contract; however, December is a short month and seasonality charts lean to the sell side, so this would not be a trade we would advocate for the Jan futures. Price will be considered as bullish above USD 27,250 however the RSI remains below 50 whilst the stochastic is overbought, momentum is warning this technical could be vulnerable regardless of any higher high the market makes. Technically bearish but moving higher, price is nearing a fractal breakout, below the 200-period MA with momentum looking vulnerable.

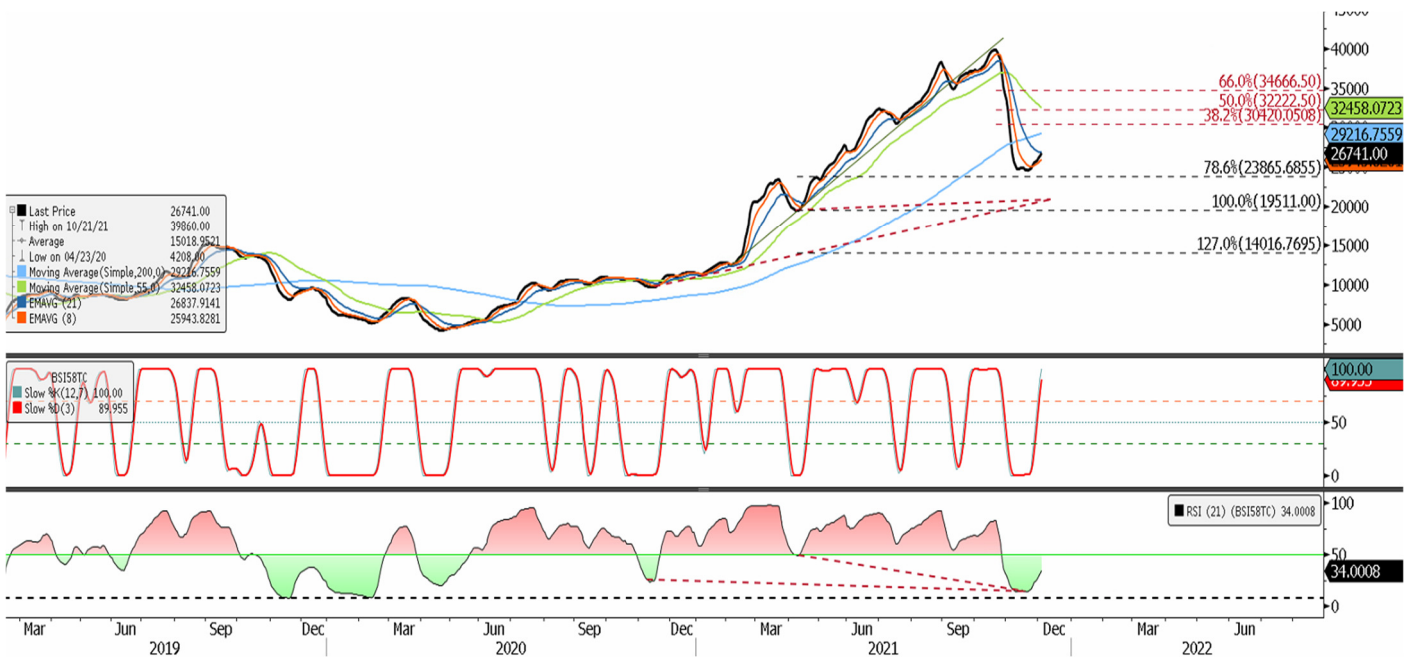
### Q1 22

We had noted previously the break in trend resistance had warned the futures could be transitioning to the buy side, this has proven to be the case. The RSI is above 50, momentum is currently bullish, and price has made a higher high. However, the downside moves were very deep, and we are concerned that the this move up could be a countertrend 3-wave pattern. If price trades above USD 27,200 it is most probably a bullish impulse wave, as it will be 161.8% the length of the previous wave, at this point downside moves would be considered as countertrend. A close below USD 23,347 will warn that momentum is weakening based on price and could be entering into a corrective phase.

### Cal 22

Momentum had warned of a technical pullback, however price traded above the USD 20,750 level taking the technical into bullish territory. Key support to the downside is USD 18,545, corrective moves that hold this level will support a bull argument. Like the Q1, there are concerns this upside move could be countertrend. Above USD 24,092 the current wave will be 161.8% the length of the previous wave, at this point the trend is bullish impulse meaning corrective moves lower should be considered as against the trend.

# Supramax Index



	Support	Resistance	Current Price	Bull	Bear
S1	23,865	R1	26,741		RSI below 50
S2	19,511	R2			
S3	14,016	R3			

Source Bloomberg

## Synopsis - Intraday

- Price is on the 21 period EMA's
- RSI is below 50 (34)
- Stochastic is overbought
- Technically bearish but not considered a technical sell on the last report as due to a hidden divergence with the RSI also on a long-term support. Price is now USD 2,000 higher. Price is between the 8-21 period EMA's with price now testing the 21-period average, the RSI is now back above 30 but remains below the 50 level
- Upside moves that fail at or below USD 34,666 remain vulnerable to further tests to the downside, above this level the index is considered neutral bearish
- A close below USD 25,928 will indicate that momentum is weakening based on price, warning the USD 24,585 could be tested.
- Technically bearish, momentum is currently to the buyside.

# Supramax Jan 22



Support	Resistance	Current Price	Bull	Bear
S1	R1	26,625		RSI below 50
S2	R2			
S3	R3			

## Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is below 50 (44)
- Stochastic is overbought
- As noted last week (Page one) price was 32.25% below the 55 period MA meaning we had the potential for a mean reversion trade to the upside, resulting in the Dec moving USD 2,800 higher. Price has rolled into the Jan 22 contract meaning the mean reversion trade is still on the table. It is worth noting that the seasonality in Jan is normally to the downside, if it is going to close the gap, or some of it, then it will probably be soon, this trade was more relevant to the Dec futures
- Upside moves above USD 27,250 will create a higher high in the market and be considered as bullish
- Downside moves that close below USD 24,925 will indicate that momentum is weakening based on price, whilst a move below USD 24,000 will break fractal support and warn the USD 20,750 level could be tested
- The futures are proving resilient, the mean reversal is a possibility but December is a short trading month with seasonality against the trade in Jan. The RSI is below 50 whilst the stochastic is overbought, momentum is vulnerable to a test to the downside

# Supramax Q1 22



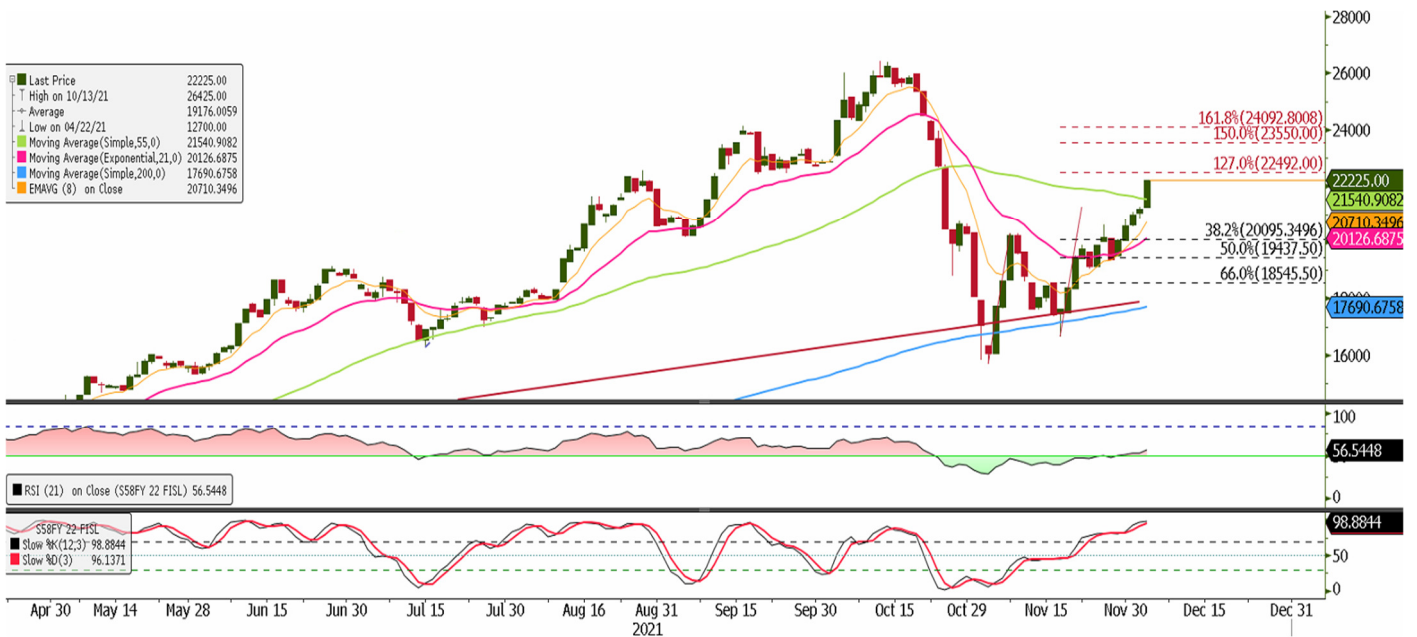
	Support	Resistance	Current Price	Bull	Bear
S1	21,962	R1	25,060	RSI above 50	Stochastic overbought
S2	21,062	R2	25,749		
S3	19,842	R3	27,200		

## Synopsis - Intraday

Source Bloomberg

- Price is above the 8 - 21-period EMA's
- RSI is above 50 (54)
- Stochastic is overbought
- The futures traded above the USD 23,850 level to create a higher high whilst the RSI moved above the 50 level. The technical is considered bullish based on price
- Downside moves the close below USD 23,347 will warn that momentum is weakening based on price
- Corrective moves that hold at or above USD 19,862 will support a bull argument, below this level the technical is considered as neutral bullish. Below USD 17,250 it is considered as bearish
- The stochastic is overbought but the RSI is now above 50, if the RSI can hold above 50 (currently 54) then the faster moving stochastic becomes less relevant
- Price has made a new high, however this upside move is still potentially a 3-wave corrective pattern that could be countertrend. If the futures trade above USD 27,200 then the current wave will be 161.8% the length of the previous wave, at this point the technical will be bullish impulse rather than corrective, meaning downside moves will be considered as countertrend
- Technically bullish based on price, based on the depth of the last corrective phase we have a genuine concern that this upside move could be countertrend

# Supramax Cal 22



Support	Resistance	Current Price	Bull	Bear
S1	R1	22,225	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Source Bloomberg

## Synopsis - Intraday

- Price is above the 8 - 21-period EMA's
- RSI is above 50 (56)
- Stochastic is overbought
- The futures have made a higher high meaning the technical is considered as bullish based on price, The futures are above all key moving averages supported by the RSI above 50
- A close below USD 20,816 would imply that momentum is weakening based on price, warning the futures could be about to enter a corrective phase
- Downside moves that hold at or above the USD 18,528 level will support a bull argument, below this level the pullback is considered as deep indicating the technical is considered to be neutral/bullish
- Like the Q1, there are concerns that the upside moves could be a 3-wave corrective pattern, upside moves above USD 24,092 would suggest the technical is bullish impulse
- Technically bullish, there are concerns that this is a countertrend move

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 [freightinvestorservices.com](http://freightinvestorservices.com)