



Supramax Technical Report

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Synopsis

Index

Momentum in the index is weakening based on price, we are still transitional as price will need to move lower to confirm this. However, this now brings into play the overbought stochastic with the RSI below 50. Previously we had noted that this signal is less reliable on the index, however alongside the weakening index it is now relevant. Support and resistance remain unchanged from last week, the technical is still bearish with momentum looking like it is about to turn to the sell side.

Jan 22

The trend is technically bearish having held resistance last week. Price is heading lower supported by a weaker RSI that is below 50. However, the disparity with the index is at USD 5,000, on paper this is wide, the index drops around 24% in Jan based on the 5-year average, suggesting the futures have the potential to settle in the low 21,000's. At this point the index is only transitioning meaning we could see near-term support in the market, although upside moves could be limited if the index starts moving lower over the next couple of days.

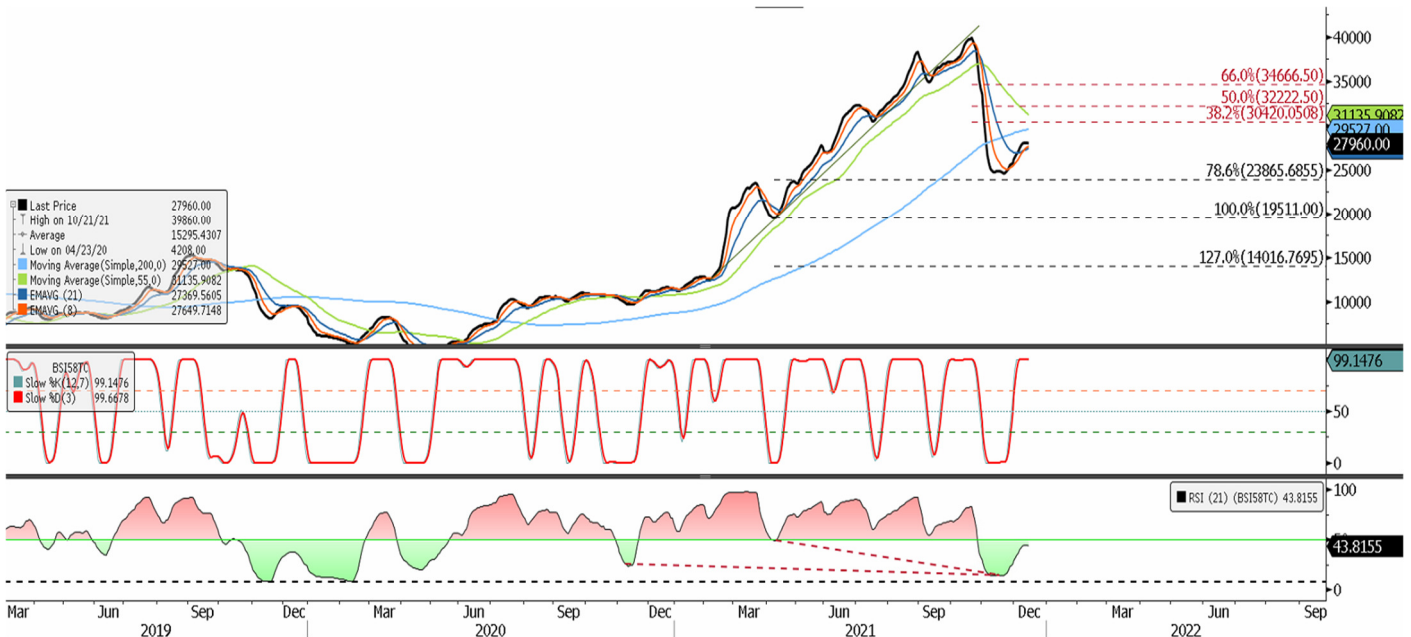
Q1 22

Technically bullish last week we noted a concern that the upside move could be countertrend based on the depth of the initial pullback, price closed below USD 23,347 to signal that momentum was weakening based on price, indicating that the futures were in a corrective phase. Downside moves that hold at or above USD 20,123 will support a bull argument, below this level the pullback is weak increasing the probability that the recent upside move was indeed countertrend. Upside moves that close above USD 22,572 would indicate that buy-side momentum is increasing.

Cal 22

The futures are technically bullish but in a corrective phase, as noted last week there were concerns that the upside move could be countertrend. Key support is at USD 18,673, if we trade below this level the probability of the futures being bearish will increase. A close above USD 20,741 would indicate that momentum is improving based on price.

Supramax Index



	Support	Resistance	Current Price	Bull	Bear
S1	23,865	R1	30,420		RSI below 50
S2	19,511	R2	32,222		
S3	14,016	R3	34,666		

Source Bloomberg

Synopsis - Intraday

- Price is on the 21 period EMA's
- RSI is below 50 (43)
- Stochastic is overbought
- The index continued to move higher on the back of the hidden divergence putting price above the 8-21 period EMA's
- The RSI is below 50 with the stochastic overbought, momentum is warning that we are vulnerable to a test to the downside. We previously highlighted that on the index this signal is prone to fail; however, the close below USD 27,987 is warning that momentum is weakening based on price. At this point the index is neutral more than bearish in term of price momentum as the downside move is not yet detached from the shorter period averages. For this reason, the RSI/ Stochastic formation is now more interesting
- Support and resistance are unchanged from last week as price failed to test the USD 30,420 level
- Technically bearish, momentum looks like it is due to transition back to the sell side

Supramax Jan 22



Support	Resistance	Current Price	Bull	Bear
S1	R1	23,000	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (44)
- Stochastic is overbought
- As noted last week the mean reversion trade was more relevant to the Dec contract due to the seasonality in Jan. price held the USD 27,037 resistance resulting in price moving lower. The futures are below the 8-21 period EMA's with the RSI below 50
- Upside moves that fail at or below USD 25,470 remain vulnerable to further tests to the downside, above this level the technical is neutral/bearish
- Key fractal resistance remains unchanged at USD 27,250
- A close on the weekly chart above USD 25,411 would warn that momentum is improving based on price on the higher time frame
- The disparity gap with the index is wide at USD 5,000; however, as noted on the E.U close report last night, historically the index drops an average of 24% in Jan suggesting the futures have the potential to settle in the low 21,000's
- Technically bearish and in trend the disparity is a little overstretched suggesting we could have some buying support in the market, however based on the seasonality upside moves could be limited

Supramax Q1 22



Support	Resistance	Current Price	Bull	Bear
S1	R1	21,750		RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8 - 21-period EMA's
- RSI is below 50 (45)
- Stochastic is below 50
- Technically bullish last week, based on the depth of the last corrective phase we had a genuine concern that this upside move could be countertrend. The upside move failed to trade above USD 27,200 resulting in the futures closing below the USD 23,347 level, signalling that momentum was weakening based on price. The futures are below the 8-21 period EMA's supported by the RSI below 50
- Technically bullish but in a corrective phase, downside moves that hold at or above USD 20,123 will support a bull argument, below this level the depth of the pullback would warn the trend is weakening leaving it neutral/bullish. Below USD 17,250 it is bearish
- Upside moves that close above USD 22,572 would warn that momentum is strengthening based on price
- Technically bullish but in a corrective phase, concerns last week that this move could be countertrend could be correct. Key support is at USD 20,123, if broken the probability of the upside move being countertrend will increase

Supramax Cal 22



	Support	Resistance	Current Price	Bull	Bear
S1	19,625	R1	21,673		
S2	18,673	R2	22,492		RSI below 50
S3	17,923	R3	23,550		

Source Bloomberg

Synopsis - Intraday

- Price is below the 8 - 21-period EMA's
- RSI is below 50 (47)
- Stochastic is at 50
- As noted last week there were concerns that the upside move could be countertrend based on the depth of the last pullback, the futures have now entered a corrective phase. Price is below the 8-21 period EMA's with the RSI now below 50
- Downside moves that hold at or above USD 18,673 will support a bull argument, below this level the pullback is deep meaning, the probability of the upside moves being countertrend has increased
- Upside moves that close above USD 20,741 would warn that buy-side momentum is increasing based on price
- Technically bullish but in a corrective phase, key support is at USD 18,673 as we maintain our concern that the upside move was countertrend

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