



Supramax Technical Report

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

Note

This is an interesting technical for the futures this week, intraday Elliott wave analysis would suggest that the upside moves should be considered as countertrend. However, the carry is narrow between index and the futures with its RSI at an extreme low, meaning they are conflicting with each other. We still consider upside moves to be countertrend, but we do have concerns that the move could be part of a higher timeframe wave 4, meaning the upside move has the potential to be deeper than initially anticipated. At this point the technical is not yet telling us it is a higher timeframe correction, but the placement of the RSI would suggest an element of caution.

Index

Last week we noted that the RSI on the futures were nearing support levels, warning the downside move could find buying support soon. The RSI traded at 11 yesterday resulting in the futures finding buying support. A close above USD 22,617 will indicate that momentum is improving based on price; however, upside moves that fail at or below USD 28,196 will leave the technical vulnerable to further tests to the downside. Technically bearish, the RSI is warning we could move higher.

August

The upside move in the futures have traded above the USD 23,460 resistance, meaning the technical although bearish now has a neutral bias. Downside moves that hold or above USD 20,902 will support a near-term bull argument, below this level the futures will target the USD 19,500 fractal support. Elliott wave analysis suggests that the upside moves is countertrend. However, if we do trade above USD 25,500 then it will be a higher timeframe wave 4, compared to a lower timeframe wave 4 that is anticipated.

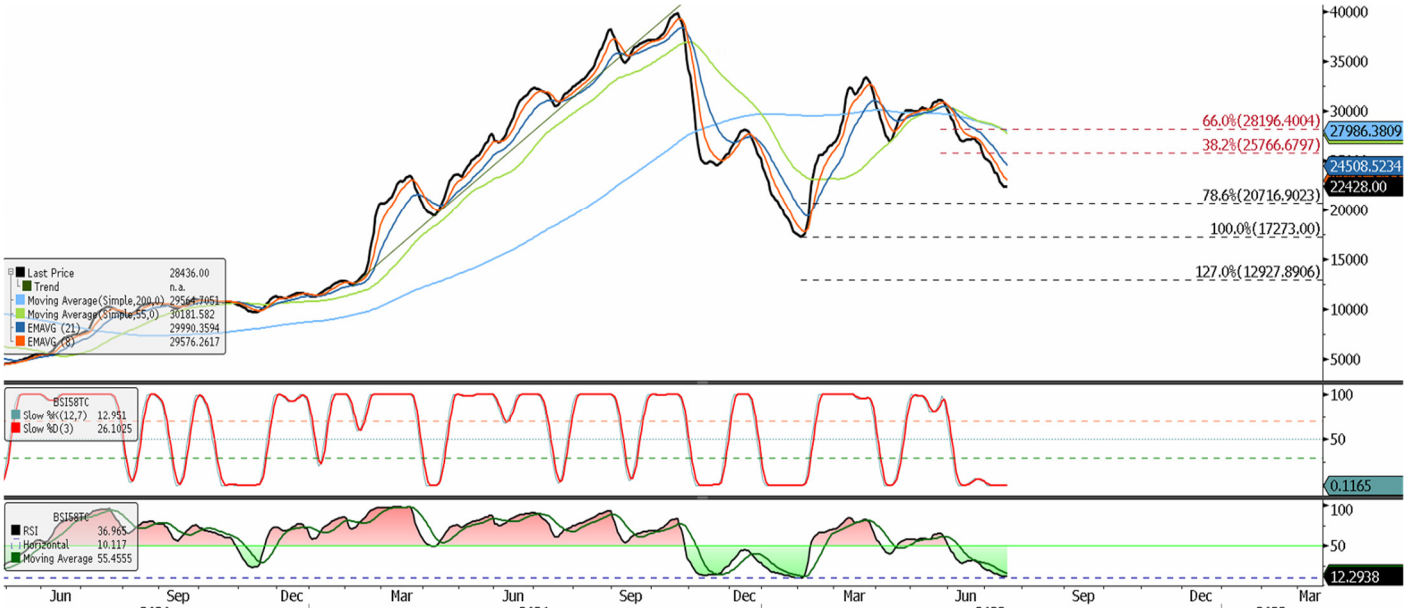
Q4

The futures are moving higher with price approaching the USD 20,307 resistance; technically we remain bearish, upside moves above this level will mean the futures will have a neutral bias. Downside moves that hold at or above USD 18,400 will support a near-term bull argument, below this level we target the USD 17,550 low. Technically bearish, momentum is currently to the buy side, if we do trade above USD 21,550 then like the August it would suggest we are jumping to a higher timeframe wave 4, at this point key resistance moves up to USD 22,196.

Cal 23

Like the rest of the Supramax complex the futures have moved higher with price nearing the USD 15,147 resistance. If we hold the futures are vulnerable to a test to the downside, if it is broken, we have a neutral bias. Downside moves that hold at or above USD 14,052 will support a near-term bull argument, below this level we target the USD 13,525 fractal low.

Supramax Index



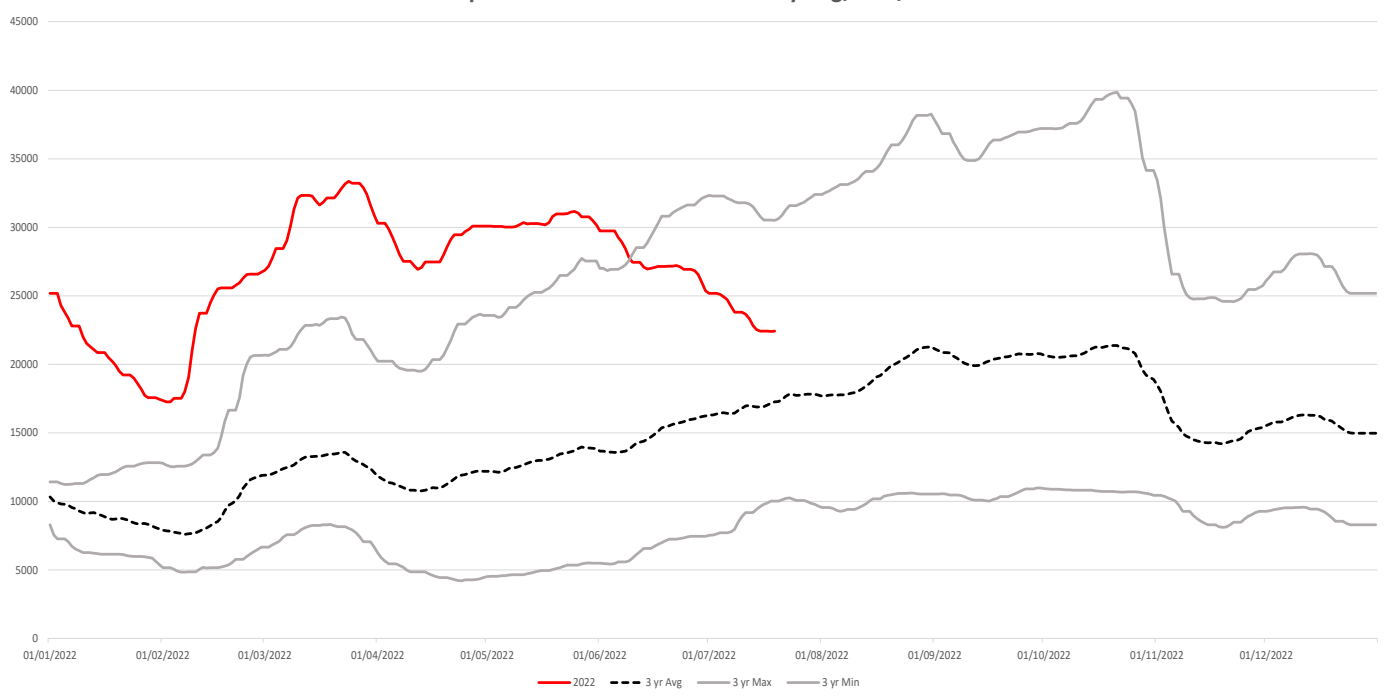
	Support	Resistance	Current Price	Bull	Bear
S1	20,716	R1	25,766	Stochastic oversold	RSI below 50
S2	17,273	R2	26,798		
S3	12,927	R3	28,196		

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (12)
- Stochastic is oversold
- As noted last week the RSI was nearing its support zone warning we could find buying support soon. The RSI traded at 11 yesterday with the index moving USD 22 higher today. Price is below all key moving averages supported by the RSI below 50.
- A close above USD 22,617 will warn that momentum is improving based on price. Upside moves that fail at or below USD 28,196 will leave the technical vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish the RSI is now on an extreme oversold level, suggesting we should see an upside move from here.

Supramax Index 3-Year Seasonality Avg/max/Min



Supramax July 22 (1 Month forward)



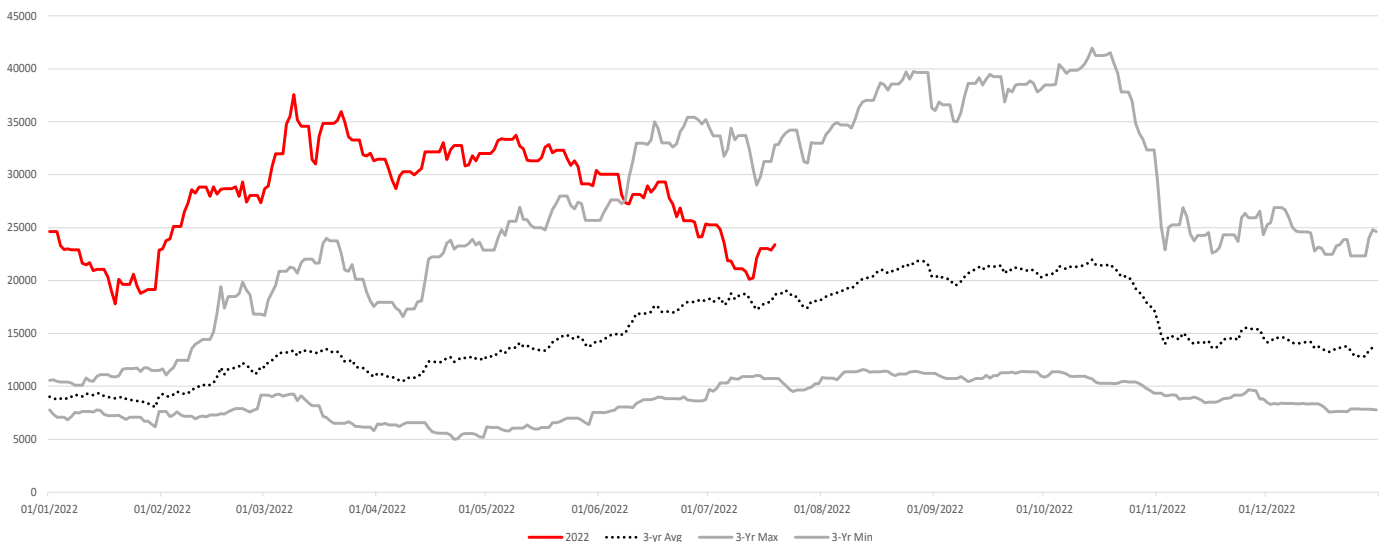
	Support	Resistance	Current Price	Bull	Bear
S1	20,902	R1	24,216		RSI Below 50
S2	19,500	R2	25,500		
S3	18,625	R3	27,120		

Synopsis - Intraday

Source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is below 50 (43)
- Stochastic is above 50
- We noted on the last report that the bullish rejection candle warned that the market was finding buying support; however, based on our wave analysis upside moves should be considered countertrend. Price has moved higher with the futures now trading between the 8-21 period EMA's, the RSI remains below 50.
- The upside move in the futures above USD 23,460 mean we now have a neutral bias, only above USD 25,500 does the technical suggest that the bearish intraday Elliott wave cycle has moved up to a higher timeframe wave 4. Downside moves that hold at or above USD 20,902 will support a bull argument, below this level the futures will target the USD 19,500 low.
- Technically bearish with a neutral bias, our Elliott wave analysis continues to suggest that this move higher looks to be countertrend. However, we do have a note of caution as we have the potential to enter a higher timeframe wave 4, as the index RSI is warning we could turn to the buyside, supporting the near-term bull move in the futures. At this point we maintain a bearish view as price remains below USD 25,500.

Supramax Rolling Front month 3-year Seasonality Avg/Max/Min



Supramax Q4 22

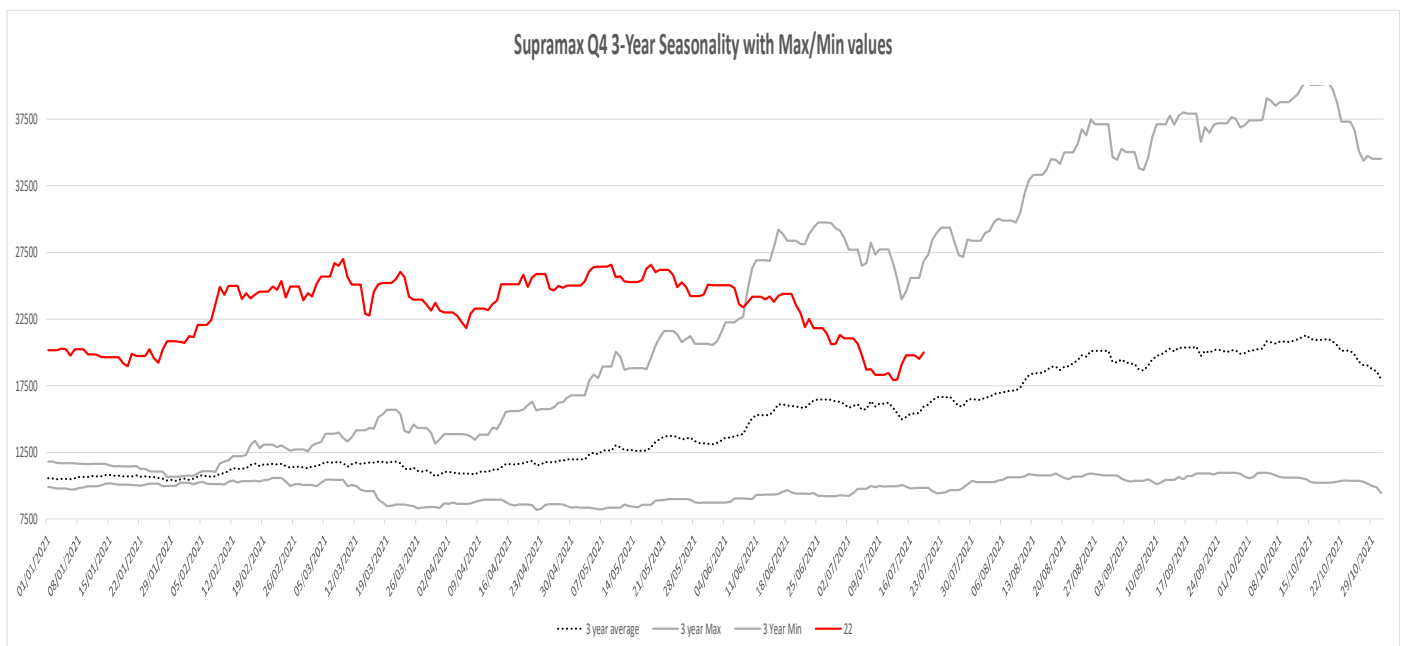


	Support	Resistance	Current Price	Bull	Bear
S1	17,175	R1	19,925		RSI below 50
S2	15,993	R2			
S3	14,471	R3			

Source Bloomberg

Synopsis - Intraday

- Price is between the 8-21 period EMA
- RSI is below 50 (42)
- Stochastic is below
- Technically bearish last week with upside moves considered countertrend. The futures have moved higher with price now approaching the USD 20,307 resistance. Price is between the 8-21 period EMA's with the RSI below 50.
- Upside moves that fail at or below USD 20,307 will leave the futures vulnerable to a test to the downside, above this level the technical will have a neutral bias.
- Downside moves that hold at or above USD 18,400 will support a near-term bull argument, below this level the futures will target the USD 17,550 low.
- Technically bearish, with momentum currently to the buyside upside, Upside moves are considered as countertrend. If we do trade above USD 21,550 it will warn that we have entered a higher timeframe countertrend wave 4, if this happens key resistance moves up to USD 22,196.



Supramax Cal 23



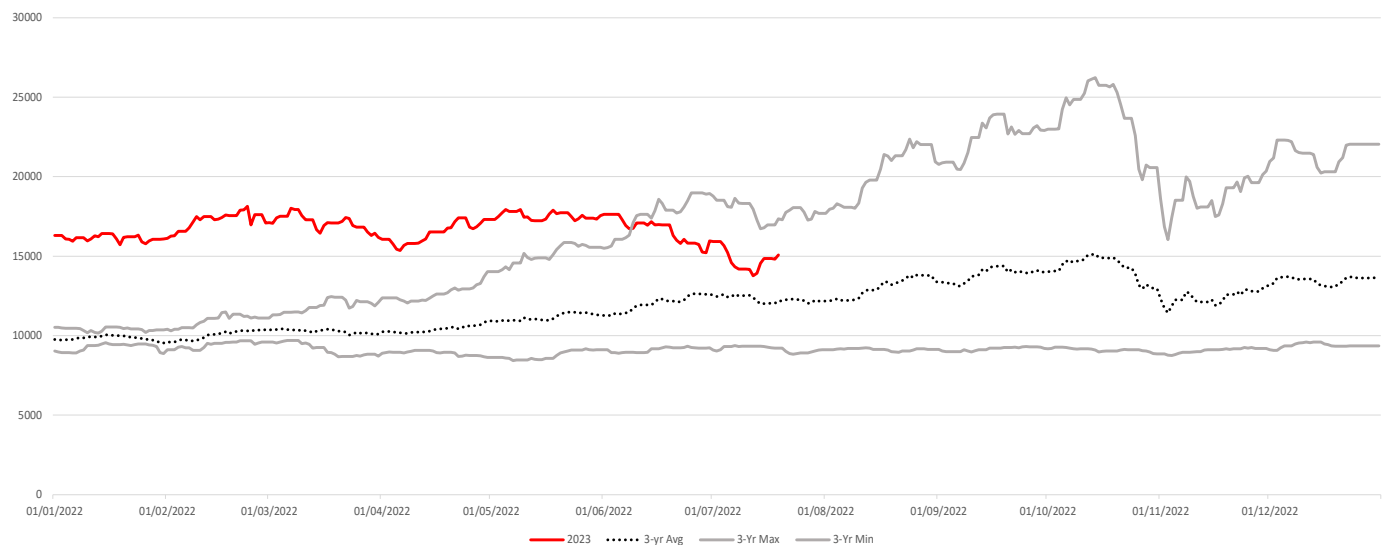
	Support	Resistance	Current Price	Bull	Bear
S1	14,052	R1	15,147		
S2	13,669	R2	15,900		RSI below 50
S3	13,525	R3	16,150		

Synopsis - Intraday

Source Bloomberg

- Price is between the 8—21 period EMA's
- RSI is below 50 (43)
- Stochastic is at 50
- Technically bearish on the last report with upside moves considered as countertrend, the futures have moved higher, with price nearing the USD 15,147 resistance.
- Upside moves that fail at or below USD 15,147 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Likewise, downside moves that hold at or above USD 14,052 will support a bull argument, below this level the futures will target the USD 13,525 fractal low.
- Technically bearish but in a corrective phase, upside moves above USD 15,147 will mean the futures will have a neutral bias.

Supramax Calendar 3-year Seasonality Avg/Max/Min



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