



Panamax Technical Report

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

Index

We noted last week that the negative divergence suggested caution on upside moves, having initially moved higher the index has now started to correct. A close below USD 14,926 will mean momentum based on price is aligned to the sell side, warning support levels could be vulnerable, making USD 13,784 – USD 13,490 the key support zone to follow. If we hold this area, we could still see another move higher as seasonality remains supported.

May 23

The futures had previously looked to be in the early stages of a bullish impulse wave 5, as the move above USD 16,995 had warned that the USD 18,375 fractal resistance looked vulnerable, the futures need to close above this level for wave 5 confirmation. We traded to a high of USD 17,750 before correcting to the downside with price dropping over USD 2,000 in the last four of session. We remain technically bullish; however, the failure to make a new high with price now testing the USD 15,407 support is warning we could still be in a complex corrective wave 4, like the upside move, confirmation only comes below USD 14,200. Seasonality is bullish but we have rejected the USD 17,500 level, this is the most heavily traded area over the last 12 months, suggesting caution as support levels are starting to look vulnerable.

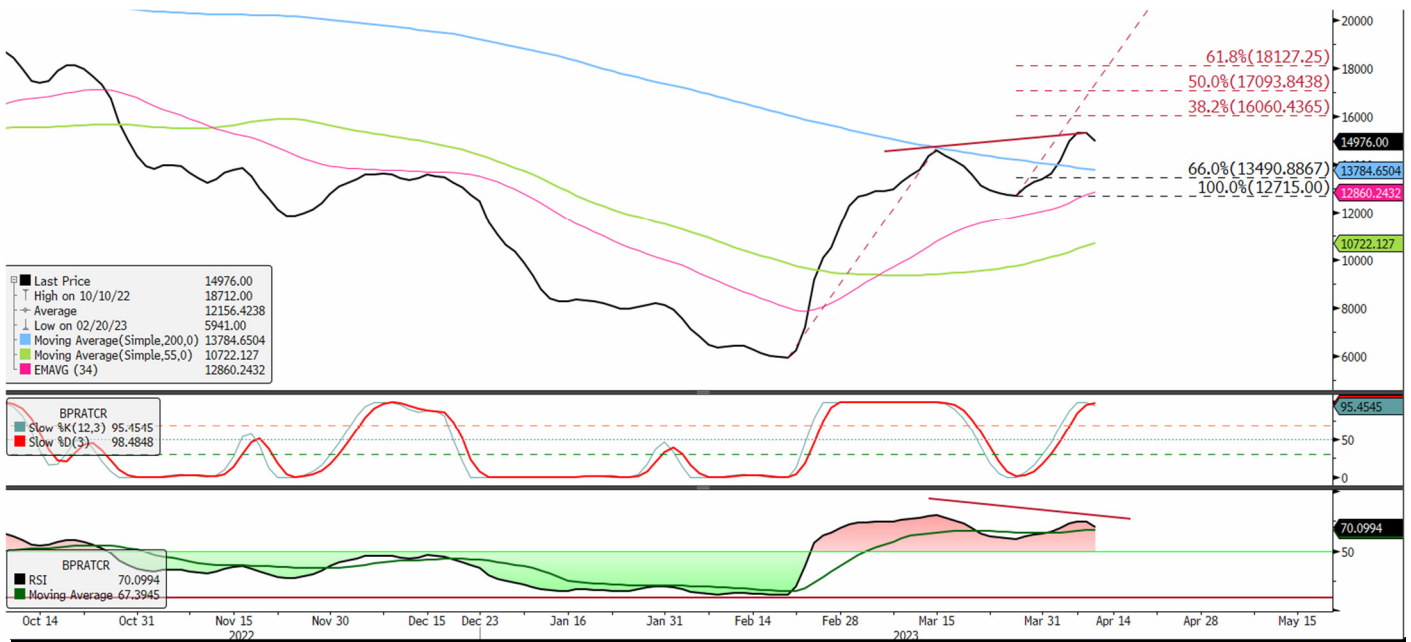
Q3 23

Technically bullish last week with the USD 18,000 fractal high looking vulnerable, the futures have entered a corrective phase with price testing but holding above the USD 16,247 support. We have concerns regarding the upside move, as it does not fit the shape of a bullish impulse move with price breaking a minor fractal support level on the way down. The technical is still bullish based on price but the recent move higher is starting to look more like a countertrend move higher, warning we could still be in a corrective wave 4. Based on the pattern analysis the futures look vulnerable to a move lower in the near-term.

Cal 24

Technically bullish last week, the failure to make a new high having previously broken a key Fibonacci resistance level is warning momentum based on price is weak. We remain in bullish territory; however, if we trade below the USD 13,225 intraday fractal support then we have an increased probability of testing the USD 12,975 and potentially the USD 12,725 support levels.

Panamax Index



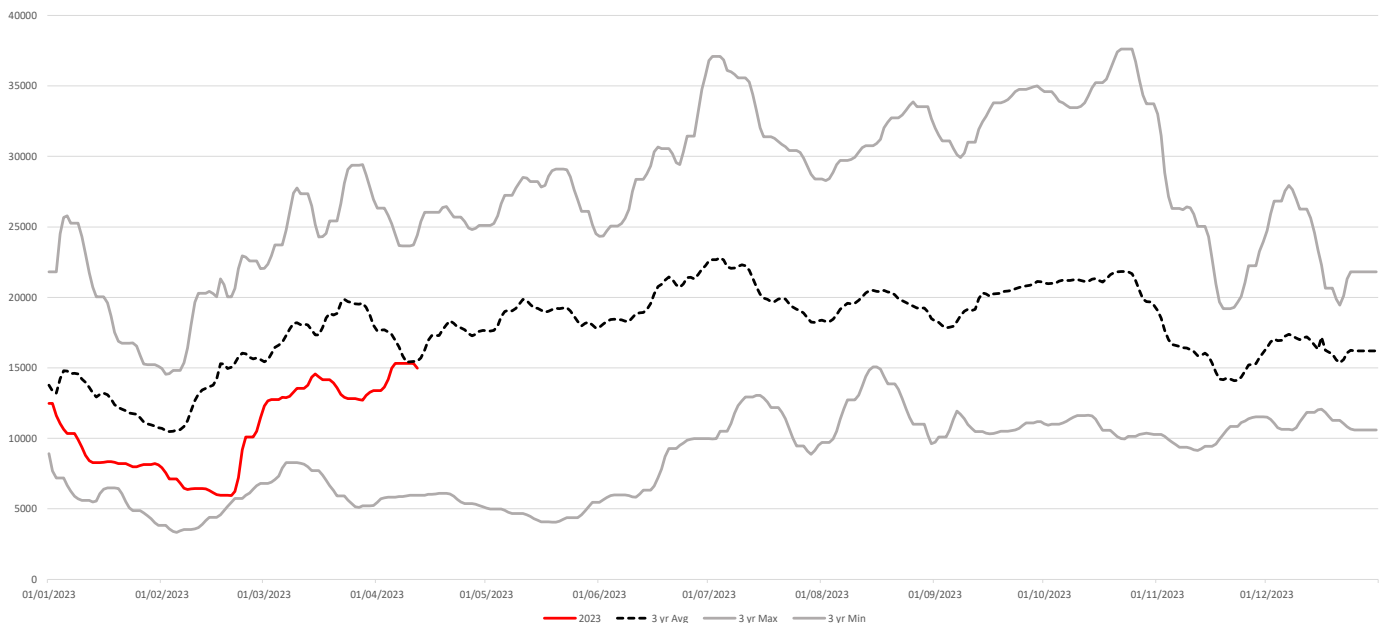
	Support	Resistance	Current Price	Bull	Bear
S1	13,784	R1	16,060	RSI above 50	Stochastic overbought
S2	13,490	R2	17,093		
S3	12,715	R3	18,127		

Synopsis - Intraday

Source Bloomberg

- Price is above the 34-55 period EMA's
- RSI is above 50 (70)
- Stochastic is overbought
- Having previously warned that we could see a move higher on the back of momentum indicators, we noted last week that the new high means the RSI was in divergence with price. Not a sell signal, it was a warning that we had the potential to see a momentum slowdown and needed to be monitored. Fibonacci projection levels implied that we had the potential to trade as high as USD 18,127. Technically bullish, the divergence did suggest caution. The index traded to a high of USD 15,333 before moving lower today. Price is above all key moving averages supported by the RSI above 50.
- Momentum based on price is aligned to the buy side, a close below USD 14,926 will mean it is aligned to the sell side. Downside moves that hold at or above USD 13,490 will support a bull argument, below this level the technical will have neutral bias. Only below USD 12,175 is the technical bearish.
- A cautious bull. We are starting to see a pullback on the back of the negative divergence, warning support levels are starting to look vulnerable, making the USD 13,784 - USD 13,490 the key support zone to follow at this point. If we hold above this area we could see another test to the upside, as seasonality remains supported at this point.

Panamax Index 3-Year Seasonality Avg/max/Min



Panamax May 23 22 (1 Month forward)



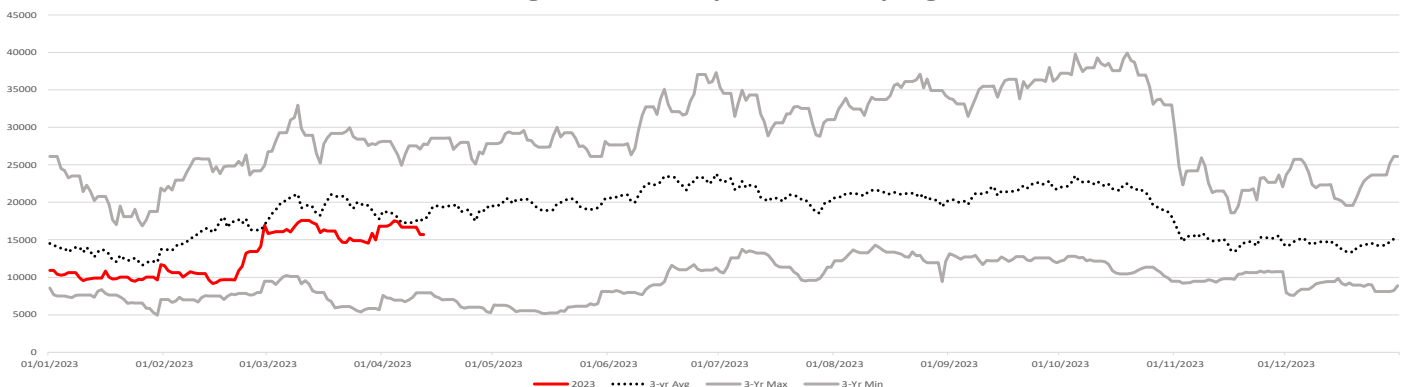
Support		Resistance		Current Price	Bull	Bear
S1	15,407	R1	17,777	15,600	RSI above 50	Stochastic overbought
S2	14,959	R2	18,375			
S3	14,200	R3	18,912			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (62)
- Stochastic is overbought
- We noted previously we looked to be in the early stages of a bullish impulse Elliott wave 5, the move above USD 16,995 suggested that the USD 18,375 fractal high was vulnerable. If broken it would confirm that the move was a wave 5 with a potential upside target based on the William's method at USD 20,024. The futures traded to a high of USD 17,750 before selling lower, price is now below the 8-21 period EMA's with the RSI above 50.
- Downside moves that hold at or above USD 15,407 will support a bull argument, below this level the technical will have a neutral bias. Only below USD 14,200 is the technical bearish.
- The downside move in recent days has been aggressive with price now nearing the USD 15,407 support, if broken it will warn that the USD 14,200 fractal support could be vulnerable. We remain technically bullish (just); however, the failure to make a new high is warning that we could still be in a more complex corrective wave 4. Seasonality suggests we are not, the MA on the RSI would imply that momentum is neutral not bearish at this point. However, if we do trade below USD 14,200 before trading to a new high, then key support for a corrective wave 4 will be at USD 12,054.
- Technically vulnerable, the most heavily traded are in the last 12 months is around the USD 17,500 area, which we have just rejected, suggesting caution, as support levels look vulnerable at this point.

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



Panamax Q3 23 (Rolling front Qtr)



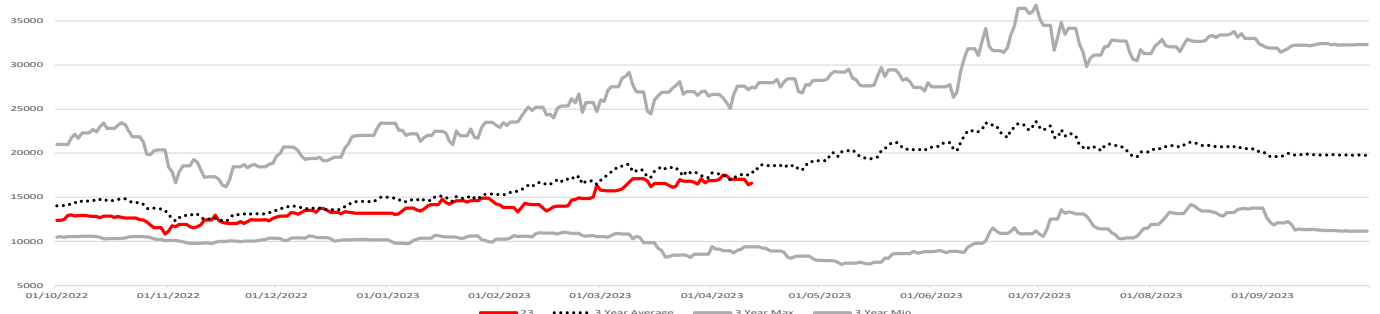
	Support	Resistance	Current Price	Bull	Bear
S1	16,247	R1	17,600	RSI above 50	
S2	15,988	R2	18,000		
S3	15,550	R3	18,485		

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is above 50 (60)
- Stochastic is above 50
- Technically bullish last week with the USD 18,000 fractal high continuing to look vulnerable, our potential upside target level at USD 18,485 was unchanged. We had a note of caution on an upside breakout as it would create a negative divergence with the RSI, not a sell signal it did warn that that we could see a momentum slowdown which needed to be monitored. The futures failed to move higher with price entering a corrective phase, price is now below the 8-21 period EMA's with the RSI above 50.
- Downside moves that hold at or above the USD 16,247 level will support a bull argument, below this level the technical will have a neutral bias. Only below USD 15,550 is the technical bearish. (Unchanged)
- Technically we are bullish with price holding support; However, there are some issues relating to the shape of the upside move and the recent pullback that are a concern. Firstly, we should note that Elliott wave analysis can fail, it is a psychological footprint of the market. The current upside move on the daily and intraday charts do not fit the shape of a bullish impulse move (warning one). Secondly, the downside moves has just broken a minor fractal support (warning two). We had been expecting the futures to make a new high, the pattern we are now seeing would suggest the recent move is not bullish, implying we potentially remain in a corrective phase/wave 4, indicating the recent upside move was possibly countertrend. We did break a key resistance on the way up, supporting a bull move, with price currently holding a key support. It could be that a bullish wave count will become more evident over time, or it will just not fit a wave profile (highly unusual in established markets). However, based on our pattern analysis, the futures look vulnerable to a downside move in the near-term.

Panamax Q3 3-Year Seasonality with Max/Min Values



Panamax Cal 24



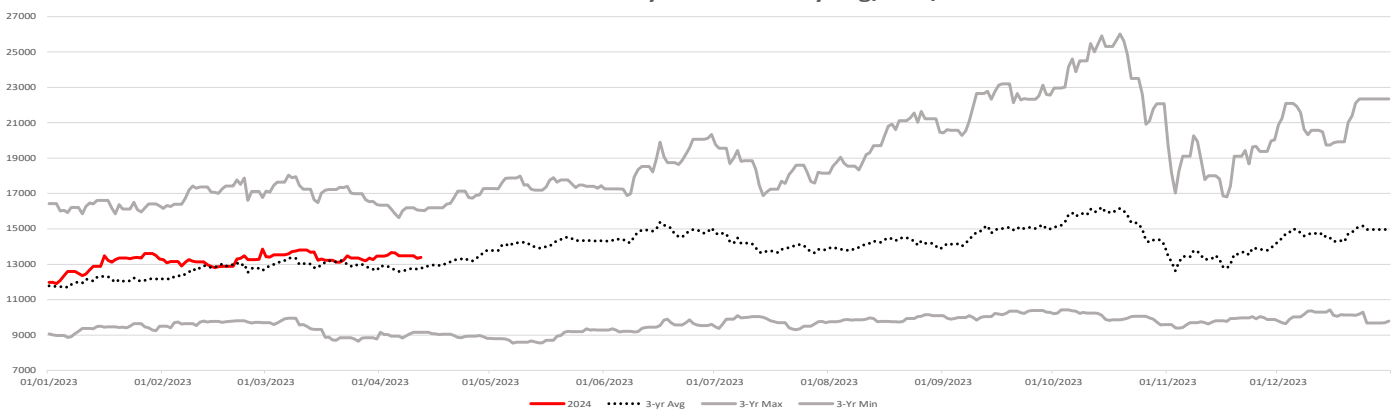
	Support	Resistance	Current Price	Bull	Bear
S1	13,238	R1	13,750	RSI above 50	
S2	13,013	R2	14,014		
S3	12,725	R3	14,412		

Synopsis - Intraday

Source Bloomberg

- Price is between the 8—21 period EMA's
- RSI is below 50 (52)
- Stochastic is above 50
- Technically bullish last week with the futures targeting the USD 14,075 fractal high. If broken it would suggest we were seeing some form of wave 5 extension with a potential upside target at USD 14,810. Seasonality continued to support an upside move. The futures have entered a corrective phase but continue to hold above the USD 13,238 level, price is between the 8-21 period EMA's with the RSI above 50.
- Downside moves that hold at or above USD 13,238 will support a near-term bull argument, below this level the futures will target the USD 12,725 fractal support. (Unchanged)
- We remain technically bullish; however, like the rest of the Panamax complex there a warning signs that we could be vulnerable to a move lower in the near-term. The failure to make a new high having broken a key Fibonacci resistance, alongside the initial pullback on the back of a negative divergence would suggest momentum based on price is weakening. A move below USD 13,225 on the intraday technical will break a fractal support, if we do it is likely that the USD 12,975 and potentially the USD 12,725 support levels could be tested, making this the key level to follow.

Panamax Calendar 3-year Seasonality Avg/Max/Min



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