



Supramax Technical Report

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Index

The index remains technically bullish but in a corrective phase with key support at USD 10,062, below this level the probability of the futures trading to a new high will decrease. As noted last week, based on the strength of the RSI move up to 94.2, the current corrective move lower has the potential to be countertrend.

November 23

This technical is looking a little complex. The futures continued to move lower last week with price remaining in a corrective phase, on what looks to be a higher timeframe countertrend Elliott wave 4. However, on the intraday chart, the downside moves consists of 5 waves; this suggests that we are in a complex corrective phase, as it would imply that the move lower is possibly only wave A of the Elliott wave correction (wave A down, wave B up, wave C down). If this is the case then the next upside move should in theory be wave B, and not a bullish impulse wave 5. What we can see in the near-term technical is the futures holding above the 200-period EMA, with the RSI above 50 whilst the stochastic is oversold, we also have a positive divergence with the RSI on the intraday chart. At this point, at these levels, the futures are not considered a technical sell.

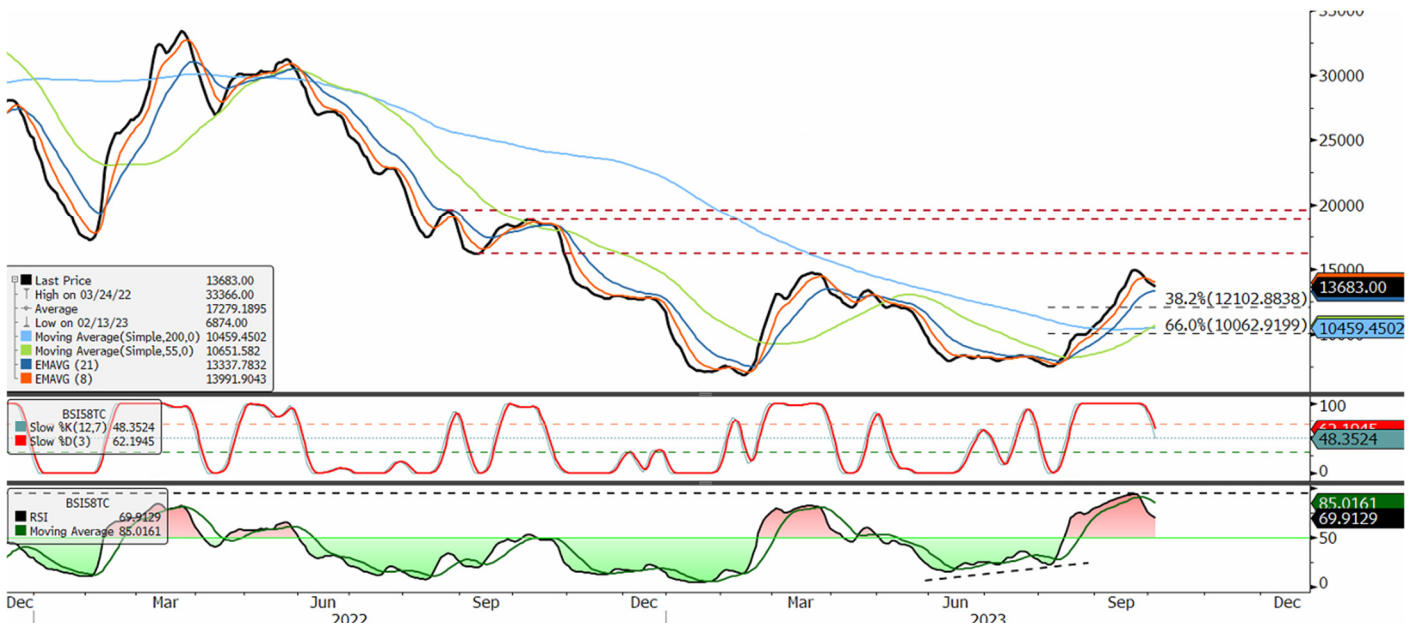
Q4 23

Technically bullish with downside moves considered as countertrend on the last report. The futures moved up and then back down again, meaning we are trading at last weeks levels. The MA on the RSI continues to suggest that momentum is weak, but the RSI is holding above 50 with the stochastic in oversold territory, leaving momentum on the daily chart conflicting. However, if we trade below USD 12,650 then we will also have a positive divergence on the RSI. For this reason, we are cautious on downside moves, as we are starting to look vulnerable to a move higher.

Cal 24

Price is unchanged from last week. We did see a small downside move that created a positive divergence with the RSI that has resulted in light bid support. The technical is bullish, but we have more of a neutral bias, as the futures moved lower on the exhaustion pattern but continue to hold support with a positive divergence in play, meaning price is starting to consolidate.

Supramax Index



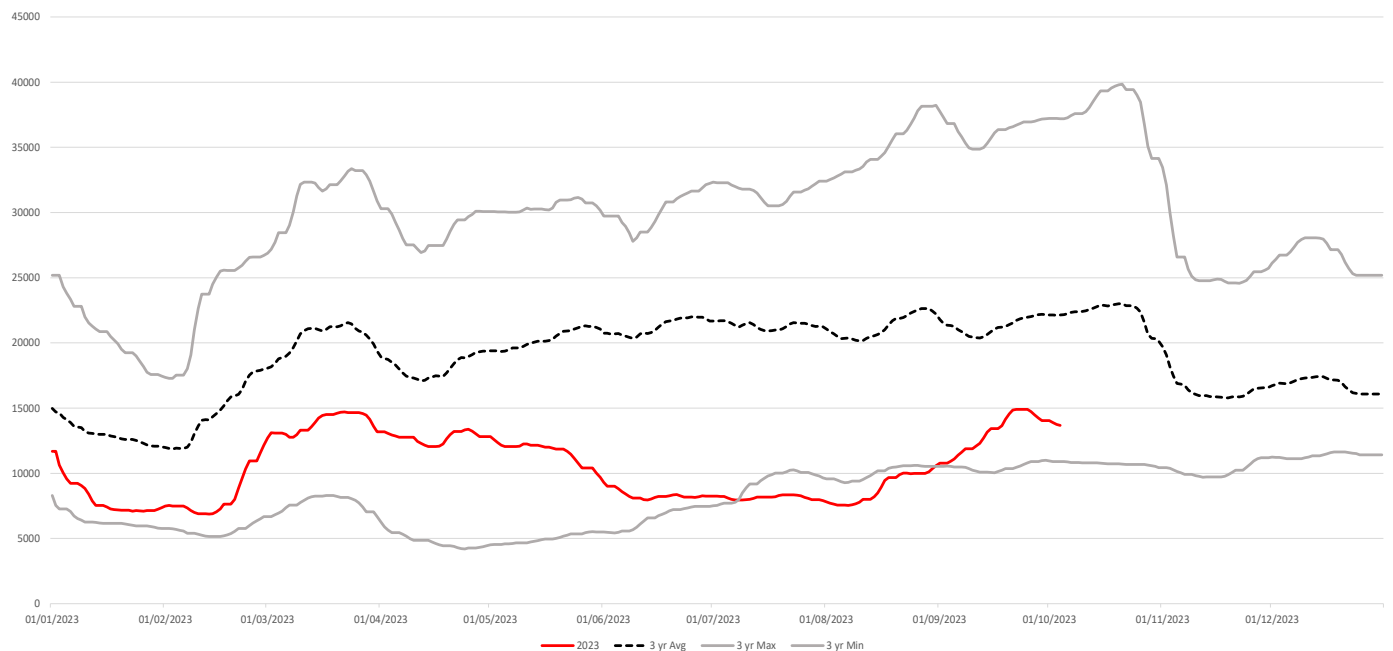
	Support	Resistance	Current Price	Bull	Bear
S1	12,102	R1	14,499	RSI above 50	Stochastic overbought
S2	11,237	R2			
S3	10,062	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (85)
- Stochastic is overbought
- Technically bullish last week, the index had entered a corrective phase with key support at USD 10,062. However, the RSI had tested the 95 resistance, a level that we would associate with a bullish impulse move, suggesting that the current move lower had the potential to be countertrend. The index continues to move lower with price now trading between the 8-21 period, the RSI is still above 50.
- Momentum based on price is aligned to the sell side, a close above USD 14,011 will mean it is aligned to the buyside. Downside moves that hold at or above USD 10,062 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish with price still in a corrective phase, the MA on the RSI suggests that momentum is weak at this point. However, as highlighted last week, based on the strength of the RSI move up to 94.2, the current corrective move lower has the potential to be countertrend, making USD 10,062 the key support to follow.

Supramax Index 3-Year Seasonality Avg/max/Min



Supramax Nov 23



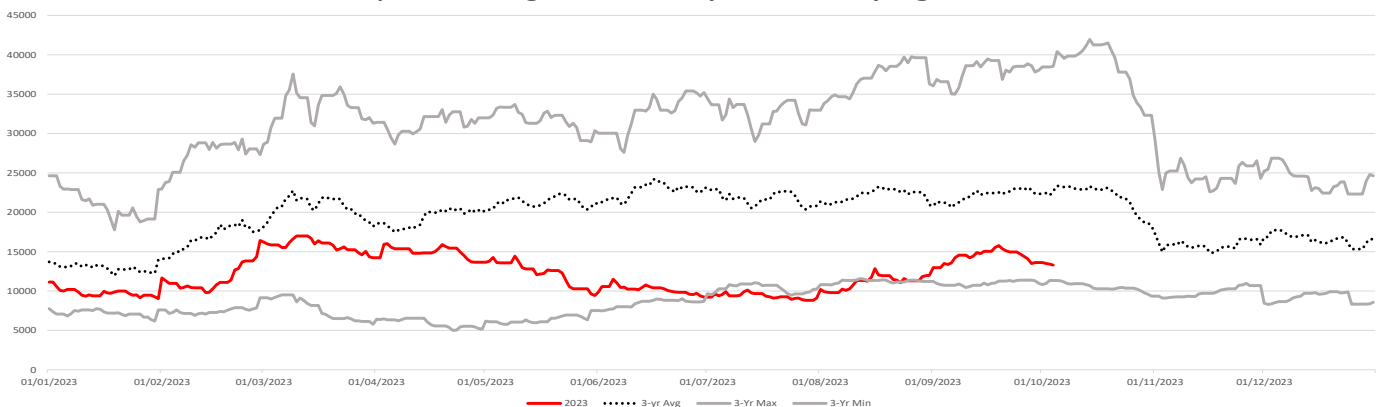
	Support	Resistance	Current Price	Bull	Bear
S1	14,056	R1	14,266	RSI above 50	
S2	13,440	R2	14,607		
S3	12,605	R3	15,069		

Synopsis - Intraday

Source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is above 50 (51)
- Stochastic is oversold
- We remain technically bullish but in a corrective phase last week. We maintained our view that the move lower looked to be a countertrend wave 4, making USD 12,605 the key support to follow. We did have concerns around the roll as the November contract was trading at a discount to the October. The futures rolled but held above the USD 12,605 support; price is below the 8-21 period EMA's with the RSI above 50.
- Downside moves that hold at or above USD 12,605 will support a bull argument, below this level the technical will have a neutral bias. Likewise, upside moves that fail at or below USD 15,069 will leave the futures vulnerable to further tests to the downside, above this level we target the USD 16,050 resistance.
- Technically bullish, there are a few conflicts in the technical, firstly, we will address near-term price action. The MA on the RSI suggest momentum is weak, but the RSI is above 50 with the stochastic in oversold territory. Providing the RSI holds above 50 the futures will be vulnerable to a test to the upside. This is supported by the intraday RSI which is showing a positive divergence, for this reason we do not consider the futures a technical sell at this point.
- The longer-term Elliott wave cycle has suggested that this corrective move lower looks to be countertrend. On the intraday move lower, we have 5 waves, suggesting that there is a larger bear cycle in play. This would imply that we are currently on a bearish wave A, meaning the next move higher looks like it will be a countertrend wave B, which in theory should be followed by a bearish wave C. Now, it could be that the corrective move plays out, and we then move to new highs, as illustrated on the chart. However, it could also mean that the wave cycle is going to fail, which would be in line with the seasonality chart. Either way, in the near-term, the futures are not considered as sell at this point as we are vulnerable to a move higher.

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



Supramax Q4 23

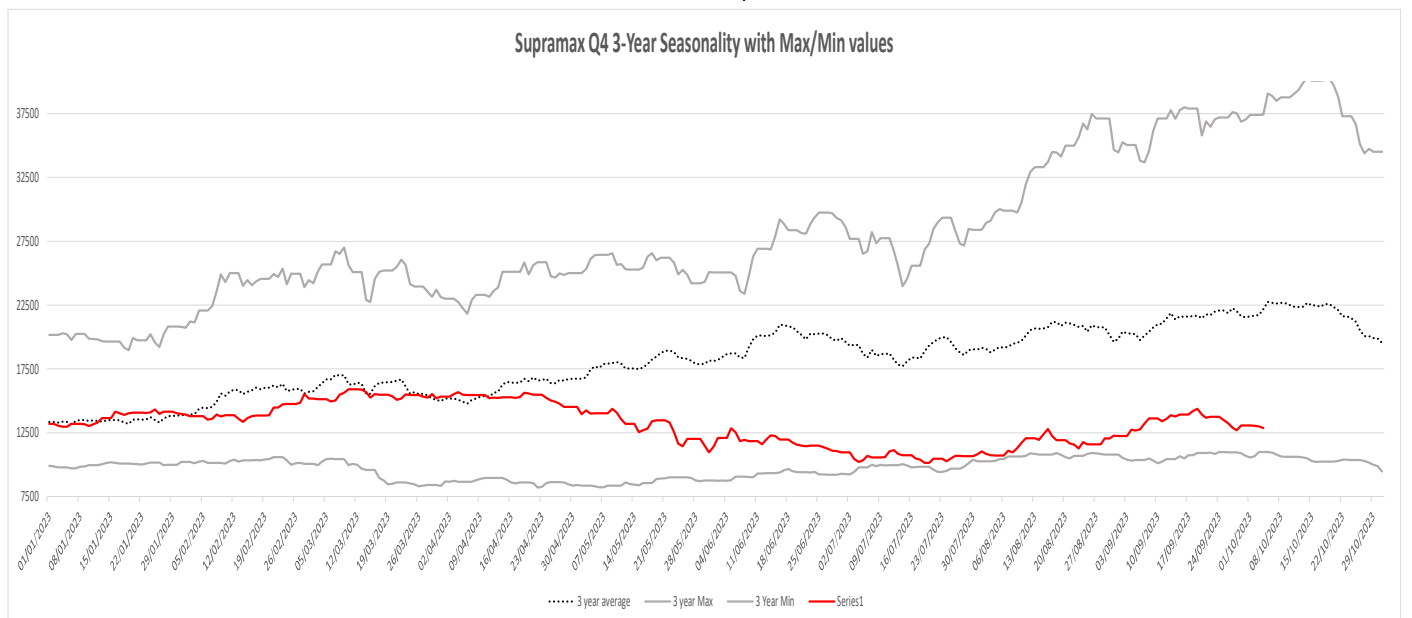


	Support	Resistance	Current Price	Bull	Bear
S1	12,323	R1	12,975	RSI above 50	
S2	11,879	R2			
S3	11,125	R3			

Source Bloomberg

Synopsis - Intraday

- Price is below the 8-21 period EMA's
- RSI is above 50 (52)
- Stochastic is oversold
- Technically bullish last week, we maintained our view that the current downside move looks to be countertrend, making USD 12,323 the key support to follow. Below this level the probability of the futures trading to a new high would decrease. The MA on the RSI had started to weaken; however, the RSI was above 50 with the stochastic in oversold territory. Providing the RSI could hold above 50 then momentum would be vulnerable to a move higher, below 50 the oversold stochastic becomes less relevant. The RSI has held above 50 resulting in the futures trading to a high of USD 13,475, before selling lower yesterday. Price is below the 8-21 period EMA's with the RSI above 50.
- Downside moves that hold at or above USD 12,323 will support a bull argument, below this level the technical will have a neutral bias. (unchanged).
- Technically bullish with price trading near last week's values. The MA on the RSI continues to suggest that momentum is weak; however, the RSI remains above 50 with the stochastic in oversold territory. Momentum is conflicting, if the RSI holds above 50, we could see a move higher; if we trade below USD 12,650, then the intraday RSI will be divergent. For this reason, we are cautious on downside moves at this point.



Supramax Cal 24



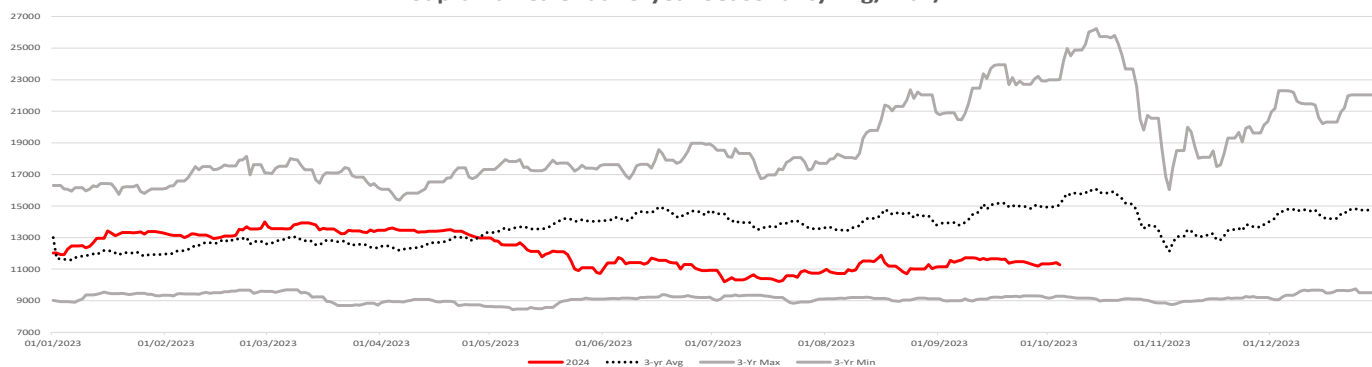
	Support	Resistance	Current Price	Bull	Bear
S1	11,200	R1	11,712		
S2	11,032	R2	11,957		RSI below 50
S3	10,650	R3	12,305		

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (48)
- Stochastic is above 50
- The futures were moving lower last week on the intraday divergences that we have highlighted previously. Technically we remained bullish with key support to follow at USD 11,032. If broken, the probability of the futures trading to a new high will decrease. Due to the downside move on the back of the intraday exhaustion pattern we did not consider the futures a technical buy. The futures traded to a low of USD 11,137.5 before finding light bid support on the back of an intraday divergence (1- and 2-hour charts). We are lower today but trading back at last week's levels, price is below the 8-21 period EMA's with the RSI below 50.
- Downside moves that hold at or above USD 11,032 will support a bull argument, below this level the USD 10,675 – USD 10,650 support zone will be vulnerable. (unchanged)
- Technically bullish as price continues to hold above the USD 11,032 support, below this level the probability of the futures trading to a new high will decrease. We have moved lower on an exhaustion pattern but are now finding light support on the intraday divergence. For this reason, we have a more neutral bias, as the futures are starting to consolidate.

Supramax Calendar 3-year Seasonality Avg/Max/Min



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