



Supramax Technical Report

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Synopsis

Elliott wave analysis in recent weeks has warned that upside moves should be considered as countertrend. However, we are seeing key intraday resistance being broken in the July, a bullish pennant forming in the Q3, alongside a failed downside pattern breakout in the Cal 26. Price action indicates that this technical now has bullish support, warning the bearish wave cycles could fail without producing the last leg lower.

Index

The longer-term technical remains bearish with the MA on the RSI implying momentum is weak. The index has been moving sideways for the last 46 days, so we have run a linear regression line over the area. We have fractal support at USD 9,802, with the two standard deviation line at USD 9,667. The index is slowing down whilst we have a small support zone just below us; if we close above the MBP line (USD 9,993), it will indicate that that buy-side pressure is increasing, whilst a close above USD 10,140 will further support a bull argument, warning resistance levels could come under pressure. We price slowing and support below us, we are cautious on moves lower at this point.

July 25

Technically bearish, the futures gapped higher on the open, putting price above the trend resistance line (USD 10,037), resulting in key intraday resistance at USD 10,282 being broken, warning this phase of the bearish Elliott wave cycle has potentially completed. If we hold above the resistance line, and trade above the USD 10,600 fractal resistance, then the technical will be in bullish territory. Intraday price action is a little overextended due to the momentum pop this morning, meaning we could see a small pullback in the near-term, making the resistance line (now support) a key area to follow. Due to the move above USD 10,282, we now have a note of caution on downside moves, as the probability of the futures trading to a new low has started to decrease.

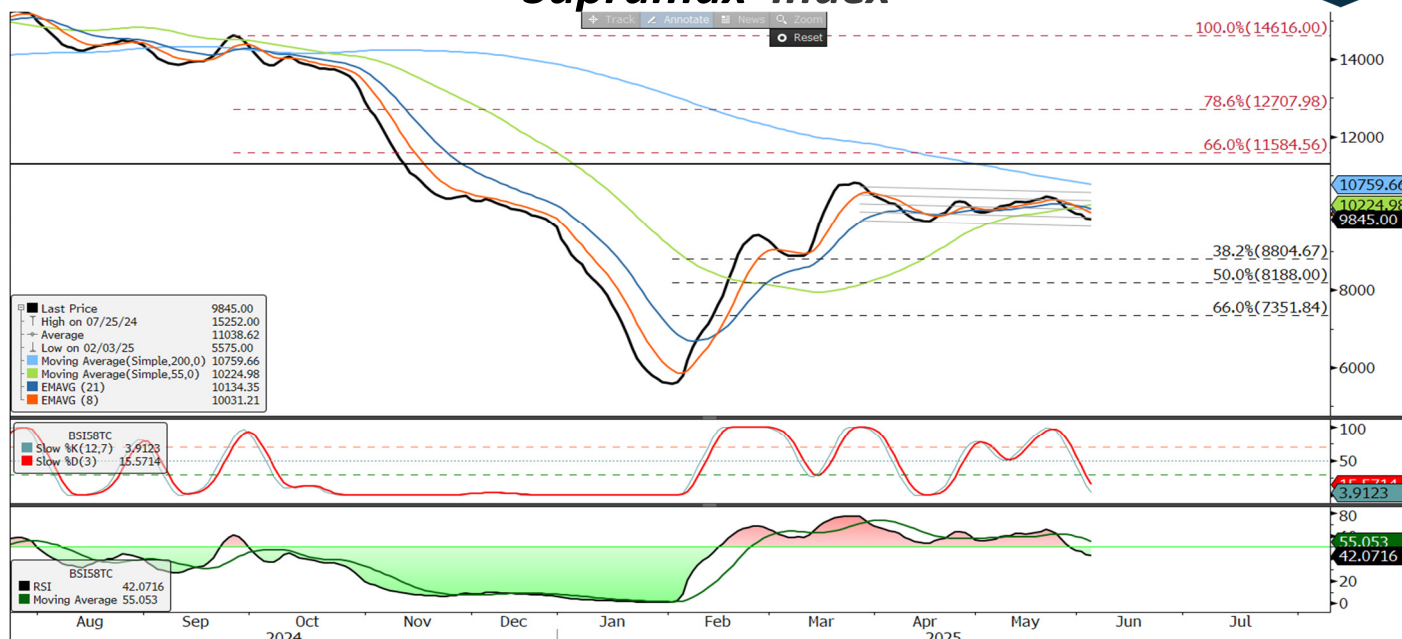
Q3 25

Technically we are still bearish, as the futures have failed to trade to a new low. However, we sold lower within a bearish channel, with price now breaking the upper resistance line (USD 10,580). If we hold above the line, then it means we have a bullish pennant in play. Based on $A-B = C-D$, we will have an upside target at USD of USD 11,525, whilst key resistance is at USD 11,548. If broken, then the probability of the futures trading to a new low will start to decrease, warning the bearish wave cycle could fail. If we hold above the channel resistance, it will indicate we should move higher in the near-term.

Cal 26

Technically bearish, the futures formed an ascending triangle after a downside move, the rising trend line implied the pattern had a bullish bias. A failed breakout to the downside has resulted in price finding bid support, warning the USD 10,325 fractal high could be tested and broken. If it is, and we close and hold above the 55-period MA (USD 10,291), then the USD 10,798 Fibonacci resistance will start to look vulnerable, above this level, the probability of price trading to a new low will start to decrease. In theory, our Elliott wave analysis suggests upside moves should be considered as countertrend; however, the failed pattern breakout to the downside is warning we should move higher in the near term, at the very least.

Supramax Index



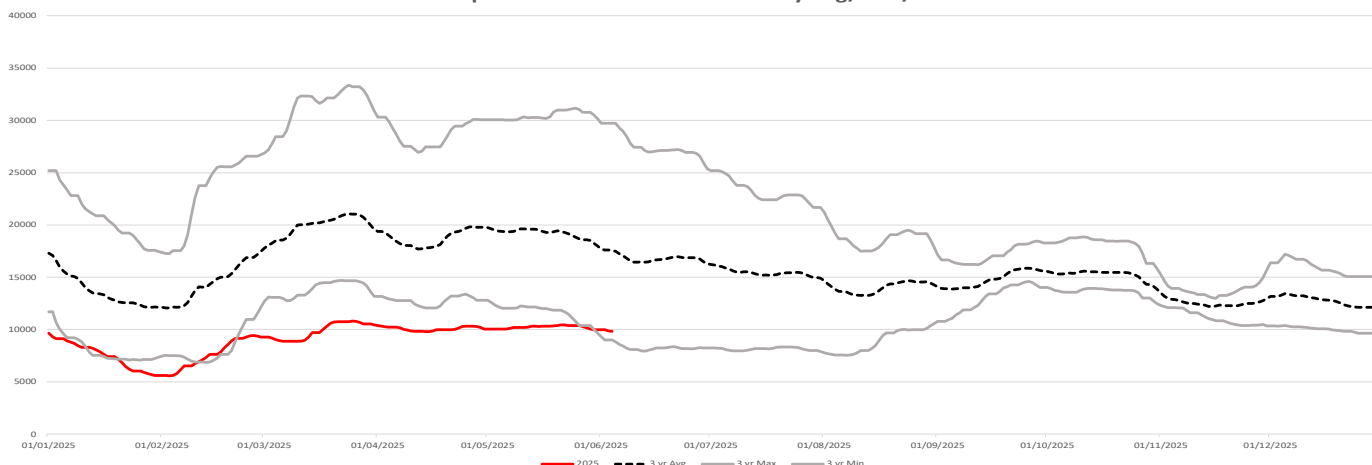
Support	Resistance	Current Price	Bull	Bear
S1	R1	9,845	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (42)
- Stochastic is oversold
- Technically bearish on the last report, the MA on the RSI had started to turn higher warning we had light momentum support. This was being replicated by the 8-21 period EMA's, which also implied light momentum support; however, the 200-period MA (USD 10,956) continued to conflict with the 55 period MA (USD 10,042) as the shorter period MA was rising into the longer-term bearish average. The trajectory of the upside move from the USD 10,043 low was weak, meaning we are cautious on moves higher at that point.
- The index failed to trade higher, resulting in price selling down to but holding above the USD 9,802 fractal support, We are below all key moving averages supported by the RSI below 50.
- Momentum based on price (MBP) is aligned to the sell side, a close above USD 9,993 will mean it is aligned to the buyside. Upside moves that fail at or below USD 11,584 will leave the index 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 7,351 will support a near-term bull argument.
- The longer-term technical remains bearish with the MA on the RSI implying momentum is weak. The index has been moving sideways for the last 46 days, so we have run a linear regression line over the area. We have fractal support at USD 9,802, with the two standard deviation line at USD 9,667. The index is slowing down whilst we have a small support zone just below us; if we close above the MBP line (USD 9,993), it will indicate that that buyside pressure is increasing, whilst a close above USD 10,140 will further support a bull argument, warning resistance levels could come under pressure. We price slowing and support below us, we are cautious on moves lower at this point.

Supramax Index 3-Year Seasonality Avg/max/Min



Supramax July 25



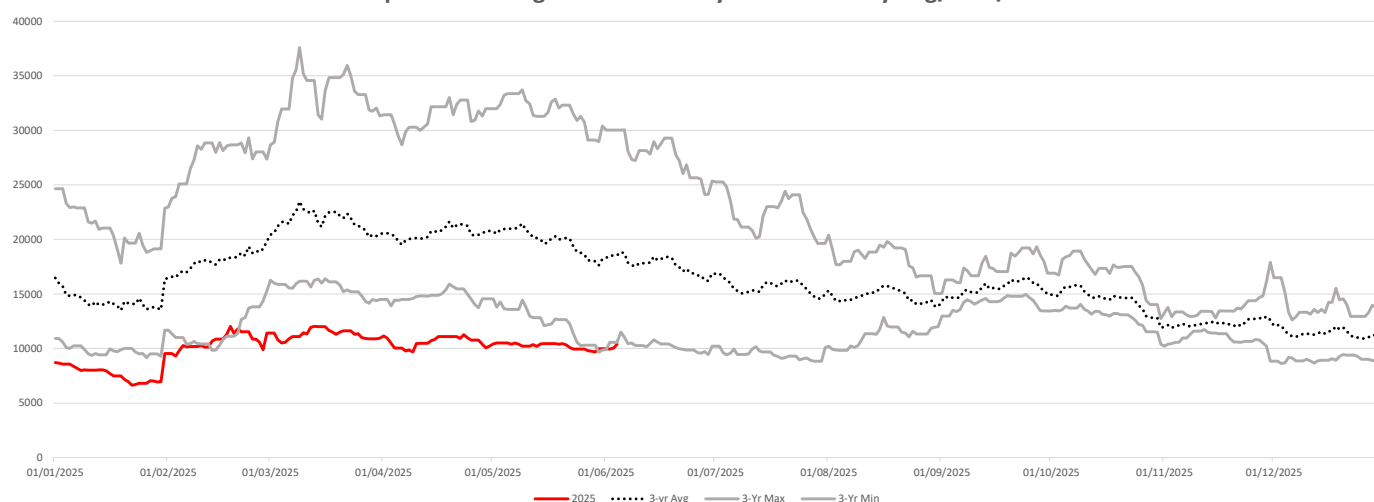
Support	Resistance	Current Price	Bull	Bear
S1	R1	10,400	RSI above 50	
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (51)
- Stochastic is below 50
- Technically bearish on the previous report, our Elliott wave analysis continued to suggest that upside moves should be considered as countertrend, whilst price was below the 55 and 200-period MA's (USD 10,786 - USD 11,374), meaning we remained cautious on higher moves at that point. If we did trade above the USD 11,332 resistance, then the probability of price trading to a new low would start to decrease. Conversely, a close below that held below the USD 9,950 fractal support would warn that the USD 9,550 fractal low could be tested and broken.
- The futures traded to a low of USD 9,625 before finding bid support. We are above the 8-21 period EMA's with the RSI above 50.
- Upside moves that fail at or below USD 11,332 will warn that there could be a larger, bearish Elliott wave cycle in play.
- Technically bearish, the futures gapped higher on the open, putting price above the trend resistance line (USD 10,037), resulting in key intraday resistance at USD 10,282 being broken, warning this phase of the bearish Elliott wave cycle has potentially completed. If we hold above the resistance line, and trade above the USD 10,600 fractal resistance, then the technical will be in bullish territory. Intraday price action is a little overextended due to the momentum pop this morning, meaning we could see a small pullback in the near-term, making the resistance line (now support) a key area to follow. Due to the move above USD 10,282, we now have a note of caution on downside moves, as the probability of the futures trading to a new low has started to decrease.

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



Supramax Q3



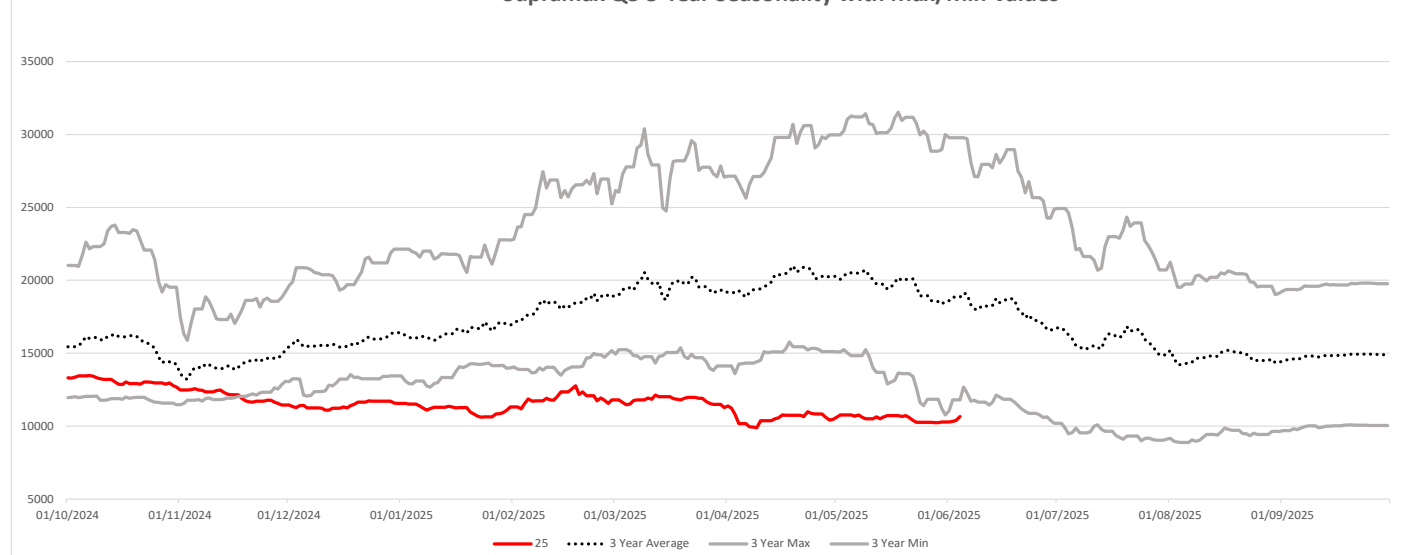
Support		Resistance		Current Price	Bull	Bear
S1	10,580	R1	10,821	10,650		RSI below 50
S2	10,217	R2	11,112			
S3	9,750	R3	11,548			

Synopsis - above

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is below 50 (49)
- Stochastic is above 50
- Technically bearish on the previous report, near-term price action was neutral. However, the RSI was moving below its average, if it closed and held below it, then it would warn that momentum was starting to weaken. As noted previously, Elliott wave analysis suggests that upside moves should be considered as countertrend. Downside moves below USD 10,375 would warn that the USD 9,750 fractal support could come under pressure.
- The futures sold to a low of USD 10,150 before finding bid support. Price is above the 8-21 period EMA's with the RSI near-neutral at 49.
- Upside moves that fail at or below USD 11,548 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically we are still bearish, as the futures have failed to trade to a new low. However, we sold lower within a bearish channel, with price now breaking the upper resistance line (USD 10,580). If we hold above the line, then it means we have a bullish pennant in play. Based on A-B = C-D, we will have an upside target at USD of USD 11,525, whilst key resistance is at USD 11,548. If broken, then the probability of the futures trading to a new low will start to decrease, warning the bearish wave cycle could fail. If we hold above the channel resistance, it will indicate we should move higher in the near-term.

Supramax Q3 3-Year Seasonality with Max/Min Values



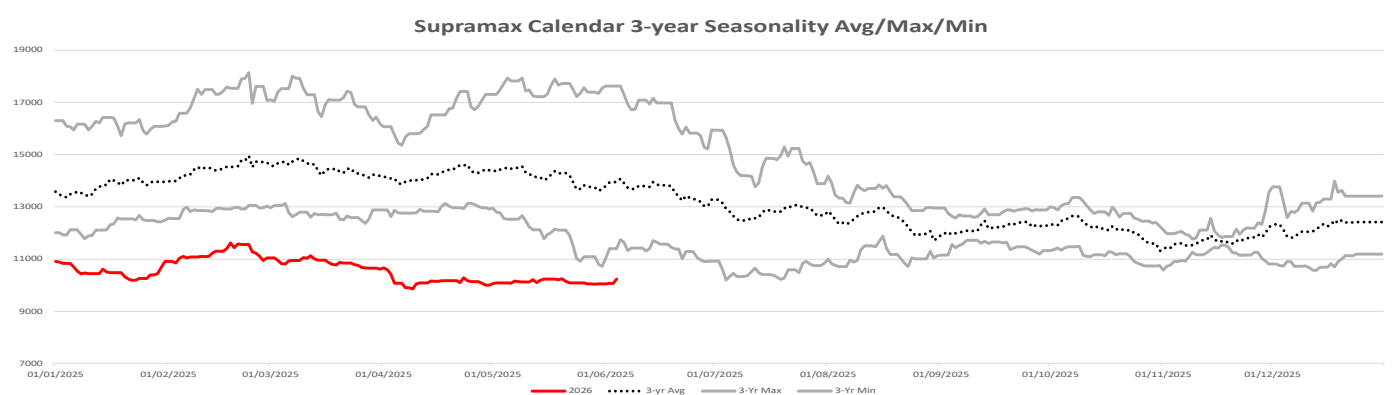


	Support	Resistance	Current Price	Bull	Bear
S1	9,925	R1	10,291		
S2	9,775	R2	10,325		
S3	9,707	R3	10,798		

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is at 50 (50)
- Stochastic is below 50
- Technically bearish previously, the MA on the RSI implied that we had light momentum support; however, the RSI was testing the average. If we closed and held below it, then it would warn that momentum was showing signs of weakness. Elliott wave analysis continues to suggest caution on moves higher at that point.
- The futures traded to a low of USD 10,000 before finding light bid support. We are above the 8-21 period EMA's whilst the RSI is neutral at 50.
- Upside moves that fail at or below USD 10,798 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias
- Technically bearish, the futures formed an ascending triangle after a downside move, the rising trend line implied the pattern had a bullish bias. A failed breakout to the downside has resulted in price finding bid support, warning the USD 10,325 fractal high could be tested and broken. If it is, and we close and hold above the 55-period MA (USD 10,291), then the USD 10,798 Fibonacci resistance will start to look vulnerable, above this level, the probability of price trading to a new low will start to decrease. In theory, our Elliott wave analysis suggests upside moves should be considered as countertrend; however, the failed pattern breakout to the downside is warning we should move higher in the near term, at the very least.



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