

Index

The index moved higher last week, resulting in price closing above the USD 10,448 level, whilst holding above the 200-period MA, warning the USD 11,301 resistance could come under pressure. If broken, we test the USD 11,584 Fibonacci resistance. This is a key level on the technical, as above this level the higher timeframe Elliott wave cycle will become neutral. In the near-term, the RSI high is suggesting downside moves should in theory be considered as countertrend.

August 25

We were cautious on upside moves last week due to the divergence in play but noted that if the divergence failed then we would be looking at a lower timeframe Elliott wave extension. Technically bullish, the move above the USD 11,332 resistance means that the probability of the futures trading to a new low has started to decrease, indicating there is not a larger bearish Elliott wave cycle in play. The divergence failure signals that we have a lower timeframe bullish Elliott wave cycle in play, making USD 10,296 the key support to follow. If broken, then the probability of the futures trading to a new low will start to decrease. We do have a minor intraday divergence in play, warning we could see a momentum slowdown in the near-term; however, downside moves should in theory now be countertrend.

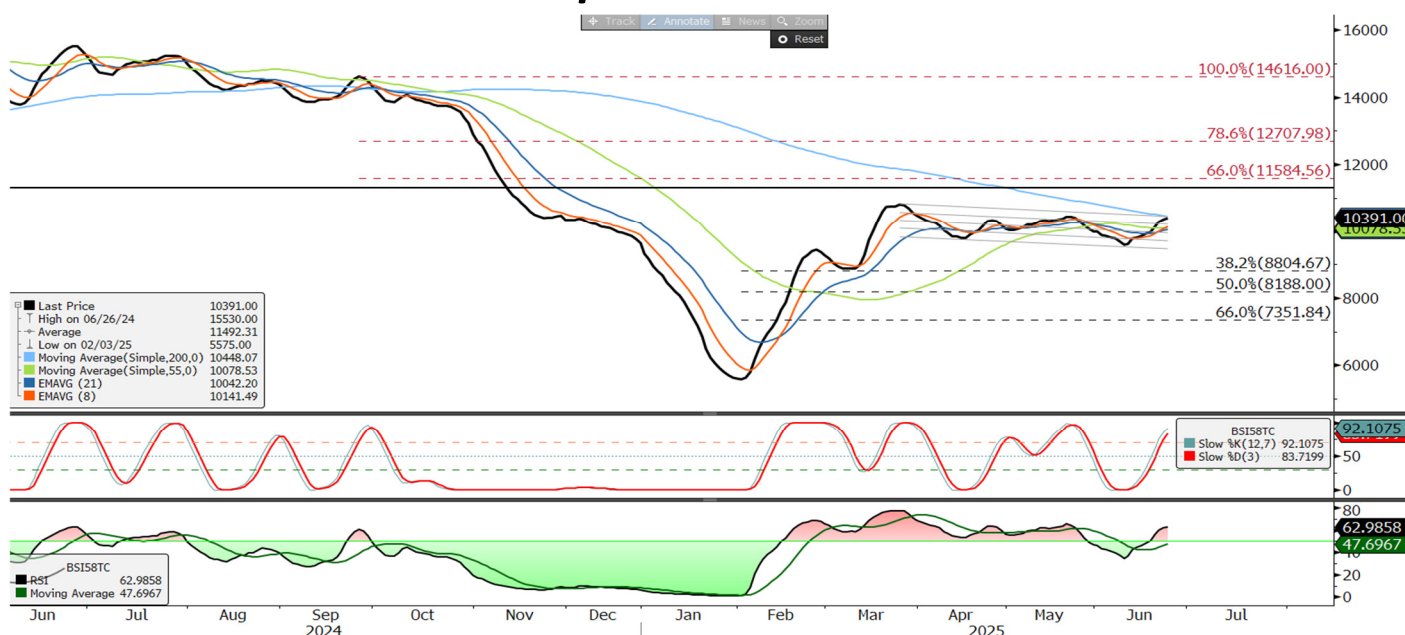
Q3 25

Bearish last week, the move above USD 11,125 meant that that we now have a 3-wave pattern higher. If the upside move was countertrend, then market longs should have a note of caution. We were trading on a fan resistance line, a close that held above the line will warn that the USD 11,230—USD 11,548 resistance levels could come under pressure. In theory, we noted that we should not trade above the USD 11,548 level; however, a close above USD 11,124 would leave the futures vulnerable to a momentum pop. The futures traded above the fan resistance and the USD 11,548 level, meaning the probability of price trading to a new low has decreased. The MA on the RSI implies momentum is supported, warning the USD 11,891 resistance is vulnerable. The upside move is supported by the RSI making new highs, suggesting downside moves should be considered as countertrend in the near-term; the move above USD 11,548 supports this.

Cal 26

The futures closed above the USD 10,325 level last week, confirming the ascending triangle breakout. Technically we remain bearish, the ascending triangle breakouts indicates that near-term price action is bullish. The lower timeframe Elliott wave cycle is unclear; however, the August 25 futures are bullish, whilst the Q3 has broken key resistance, warning the bearish wave cycle could fail. The MA on the RSI implies we have momentum support, whilst the RSI and price are making new highs, meaning downside moves now have a greater chance of being countertrend.

Supramax Index



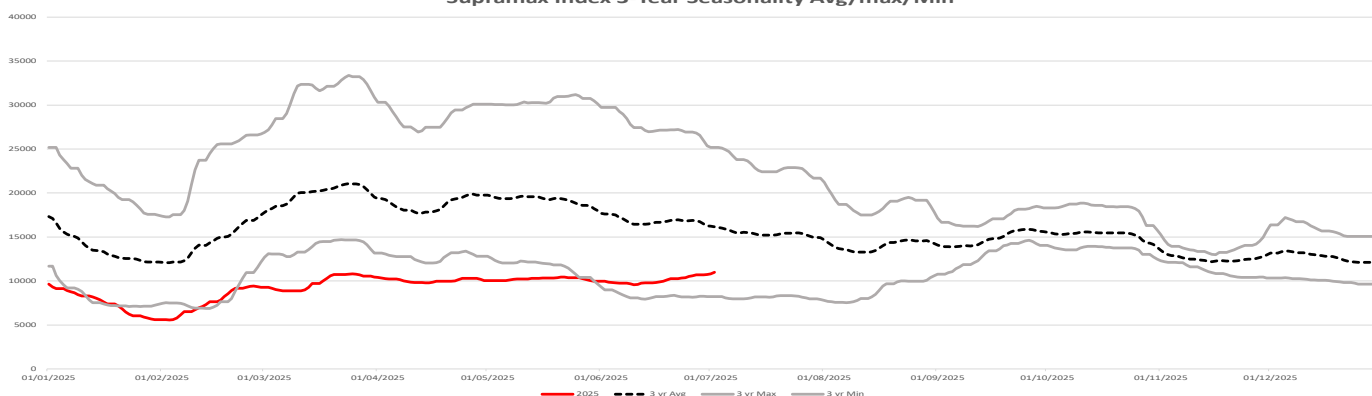
Support	Resistance	Current Price	Bull	Bear
S1	R1	10,996	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (74)
- Stochastic is overbought
- Technically bullish last week, the index was testing the two standard deviation resistance (USD 10,441) and the 200-period MA (USD 10,448), meaning price was at a resistance zone. The MA on the RSI did imply momentum was supported, whilst price was above the weekly pivot level (USD 10,127). A rejection of the 200-period MA followed by a close below the USD 10,127 level would warn that the linear regression line (USD 9,946) could come under pressure. Conversely, a close that held above the USD 10,448 level would indicate that buy-side pressure was increasing, warning resistance could come under further pressure. With resistance above us, we were cautious on moves higher in the near-term, unless we closed and held above the USD 10,448 level.
- The index has closed and is currently holding above the 200-period MA (USD 10,352), whilst the upside move above USD 10,801 fractal high is signaling a consolidation breakout. We are above all key moving averages supported by the RSI above 50.
- Momentum based on price (MBP) is aligned to the buy-side, a close below USD 10,713 will mean it is aligned to the sell side. 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 (Elliott wave cycle) will have a neutral bias. Likewise, downside moves that hold at or above USD 7,418 will support a bull argument.
- Technically bullish the MA on the RSI continues to suggest that momentum is supported with price currently above the 200-period MA, indicating the USD 11,301 resistance could come under pressure. If broken, we test the USD 11,584 Fibonacci resistance. This is a key level on the technical, as above this level the higher timeframe Elliott wave cycle will become neutral. In the near-term, the RSI high is suggesting downside moves should in theory be considered as counter-trend.

Supramax Index 3-Year Seasonality Avg/max/Min



Supramax August 25



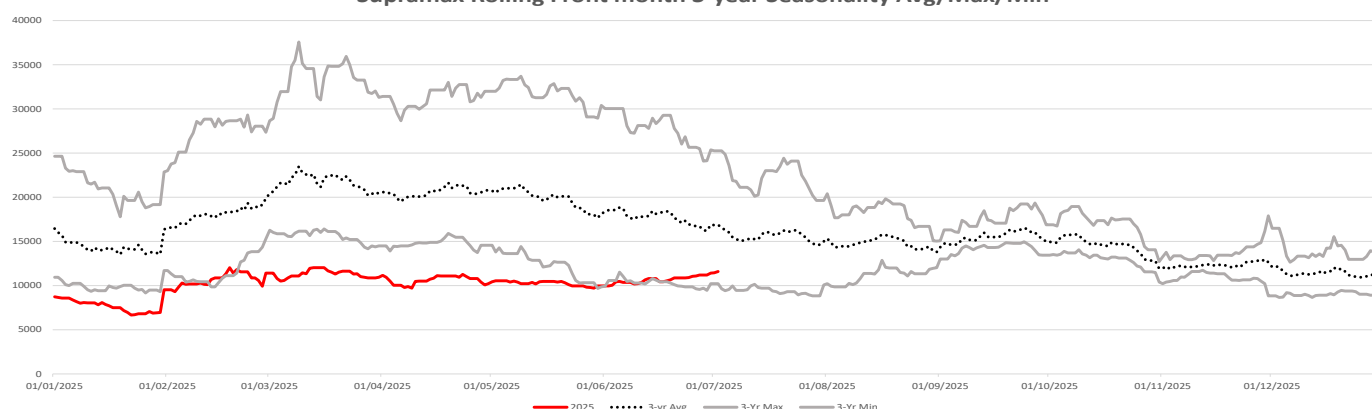
Support	Resistance	Current Price	Bull	Bear
S1	R1	11,575	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (64)
- Stochastic is overbought
- Technically bullish last week, the MA on the RSI implied that we had light momentum support, whilst price was above the trend support line. A close below the support line would warn that sell side pressure was increasing, warning the USD 9,625 fractal low could be tested. Likewise, a close back below the 200-period MA would warn that trend support could come under pressure. If we hold above the 200-period MA, it would support a bull argument. However, as noted in the morning technical, the intraday futures were in divergence with the RSI, meaning we were cautious on upside moves whilst the divergence in play. If the intraday divergence failed, it would warn that we could be looking at a lower timeframe Elliott wave extension. USD 10,846 was the key support to follow in the near-term.
- The futures held the 200-period MA (USD 10,773), resulting in the intraday divergence failing, indicating we were looking at a bullish Elliott wave extension. This is supported by the move above the USD 11,332 resistance. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 10,296 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the move above the USD 11,332 resistance means that the probability of the futures trading to a new low has started to decrease, indicating there is not a larger bearish Elliott wave cycle in play. The divergence failure signals that we have a lower timeframe bullish Elliott wave cycle in play, making USD 10,296 the key support to follow. If broken, then the probability of the futures trading to a new low will start to decrease. We do have a minor intraday divergence in play, warning we could see a momentum slowdown in the near-term; however, downside moves should in theory now be countertrend.

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



Supramax Q3



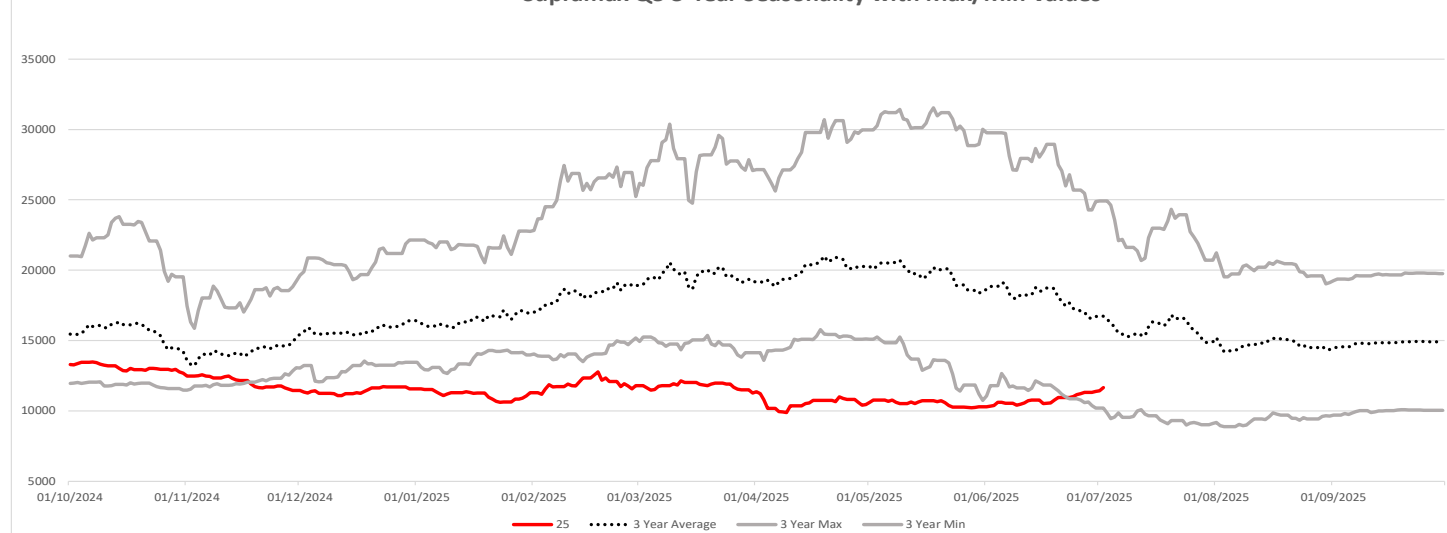
Support		Resistance		Current Price	Bull	Bear
S1	11,077	R1	11,891	11,650	RSI above 50	Stochastic overbought
S2	10,900	R2	12,475			
S3	10,660	R3	13,000			

Synopsis - above

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (66)
- Stochastic is overbought
- Technically bearish last week, the MA on the RSI implied that we had light momentum support. The move above USD 11,125 meant that that we now have a 3-wave pattern higher. If the upside move was countertrend (as our Elliott wave analysis suggested), then market longs should have a note of caution. We were trading on a fan resistance line (USD 11,124 corrected from USD 11,514), a close that held above the line will warn that the USD 11,230—USD 11,548 resistance levels could come under pressure. In theory, we noted that we should not trade above the USD 11,548 level; however, a close above USD 11,124 would leave the futures vulnerable to a momentum pop.
- The futures traded and closed above the USD 11,124 level, resulting in price trading above the USD 11,548 resistance. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 10,660 will support a bull argument, below this level the technical will be back in bearish territory.
- Technically bearish with a neutral bias, the probability of the futures trading to a new low has started to decrease, warning there is a greater chance of the bearish Elliott wave cycle failing. The MA on the RSI implies momentum is supported, warning the USD 11,891 resistance is vulnerable. The upside move is supported by the RSI making new highs, suggesting downside moves should be considered as countertrend in the near-term; the move above USD 11,548 supports this.

Supramax Q3 3-Year Seasonality with Max/Min Values



Supramax Cal 26



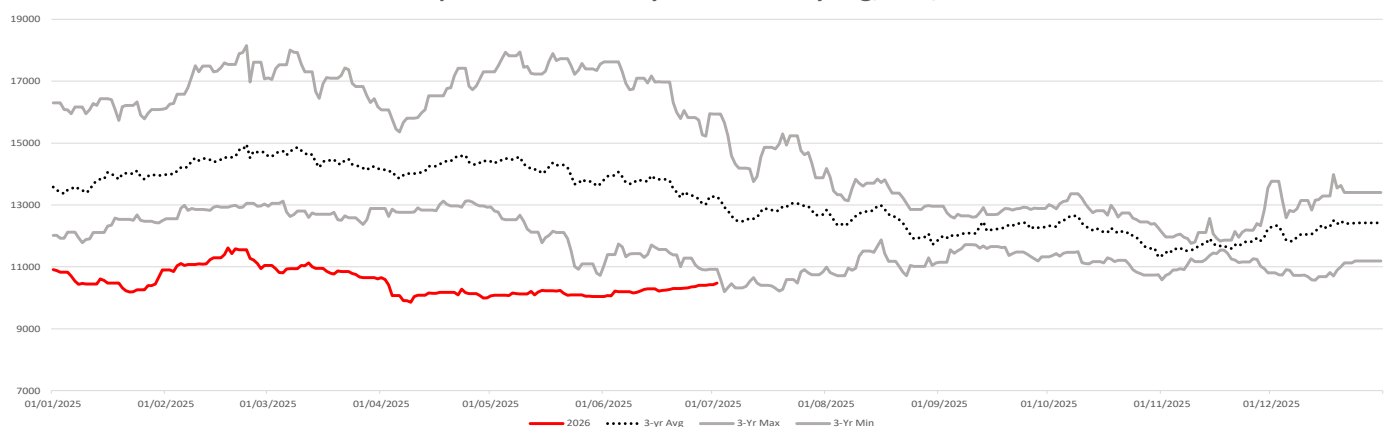
Support		Resistance		Current Price	Bull	Bear
S1	10,325	R1	10,550	10,475	RSI above 50	Stochastic overbought
S2	10,013	R2	10,798			
S3	9,775	R3	10,993			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (59)
- Stochastic is overbought
- The trend was bearish last week, price action was still considered neutral, as we were yet to close and hold above the USD 10,325 level; if we did, then resistance levels should come under pressure. The rising trend line on the ascending triangle did imply that buy-side pressure was increasing. The technical still needed confirmation of a breakout.
- The futures have seen another small move higher, confirming the breakout above the USD 10,325 resistance. We are above the 8-21 period EMA's with the RSI above 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 we remain bearish, the ascending triangle breakouts indicates that near-term price action is bullish. The lower timeframe Elliott wave cycle is unclear; however, the August 25 futures are bullish, whilst the Q3 has broken key resistance, warning the bearish wave cycle could fail. The MA on the RSI implies we have momentum support, whilst the RSI and price are making new highs, meaning downside moves now have a greater chance of being countertrend.

Supramax Calendar 3-year Seasonality Avg/Max/Min



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