FIS

Supramax Technical Report

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Index

The index is in a corrective phase with the RSI testing support; however, the rate of the downside move is not being replicated by price, meaning we have a potential positive reversal in play once RSI support is broken. This suggests caution on lower moves unless price breaks the USD 12,612 fractal support. Based on the potential positive reversal, we have a cautious approach to lower moves.

April 26

The corrective move is finding support in two consolidation zones that formed in Nov-25 and Feb 26, price is now in the Fibonacci support zone. This suggests caution on downside moves in the very near-term. The RSI moving average implies that momentum is weak, while wave analysis indicates that corrective phases have a tendency to consist of 3-waves, suggesting upside moves should be considered as countertrend at this point. The broader trend remains bullish above USD 14,128 and neutral below. Upside moves that fail at or below USD 16,662 will leave the futures vulnerable to further tests to the downside, a sustained move above this level will signal an increase in buyside pressure, leaving resistance levels vulnerable.

Q2 26

The broader trend remains bullish but the near-term Elliott wave cycle is now neutral due to the USD 15,889 support being breached. This suggest that upside moves now have the potential to be countertrend while below USD 12,724. If rejected, then any move higher would likely be, wave B, of a 3-wave correction; conversely, above this level price would re-enter bullish territory. Although cautious on upside moves due to the depth of the pullback, we do have two downside rejection candles with price seeing bull support today, suggesting there is bid side support in the market at this point, meaning resistance could come under pressure.

Cal 27

The downside move below the USD 12,225 fractal support means the technical is bearish based on price; however, the broader trend (Elliott wave cycle) remains bullish above USD 11,347 and neutral below. The last three candle have produced higher highs and higher lows, indicating buyside pressure is increasing, a close above the high of the last dominant bull candle at USD 12,600 will further support a near-term bull argument. However, as price has entered a corrective phase (3-wave pattern, two bearish A and C and one bullish, B), in what looks like a countertrend move, meaning we have a cautious approach on upside moves while below USD 13,006. Above this level would reduce the probability of price trading to a new low.

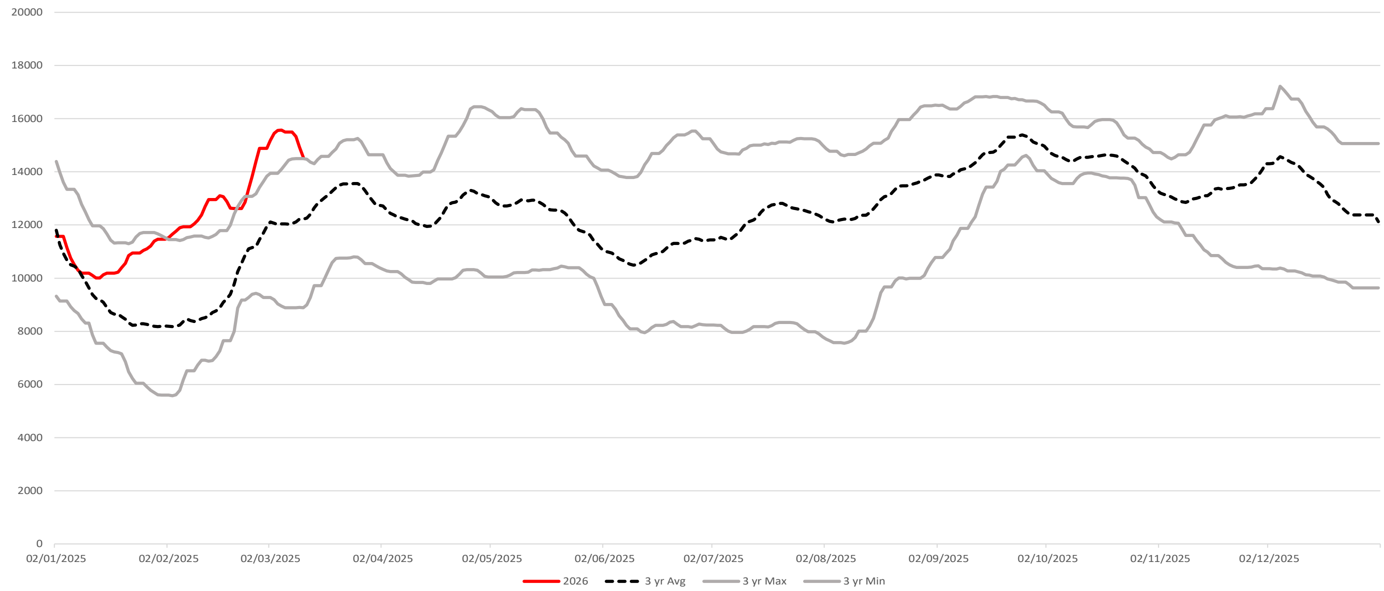
Supramax Index

Support		Resistance		Current Price	Bull	Bear
S1	13,853	R1	15,711	14,548	RSI above 50	Stochastic overbought
S2	13,441	R2	16,216			
S3	11,895	R3	16,894			

Synopsis - Intraday

Source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is above 50 (61)
- Stochastic is overbought
- Technical outlook last week: Momentum support
- We noted last week that the index was firmly above its 200-period MA at USD 13,734 with the RSI moving average implying momentum was supported. The upside move above USD 14,103 indicated that the probability of price trading to a new low had started to decrease, warning the USD 16,216 fractal high was vulnerable. USD 15,711 was the 100% Fibonacci projection level, if we did not get a reaction around that level, it would suggest that we could trade to new highs.
- The index rejected the USD 15,700 resistance, resulting in price entering a corrective phase. We are between the 8-21 period EMA's with the RSI above 50.
- Momentum based on price (MBP) is aligned to the sell side, a close above USD 15,311 would mean it is aligned to the busied. Downside moves that hold at or above USD 11,895 will support a bull argument, below this level the technical will be back in bearish territory.
- Technical outlook: Bullish throwback
- The index is in a corrective phase with the RSI testing support; however, the rate of the downside move is not being replicated by price, meaning we have a potential positive reversal in play once RSI support is broken. This suggests caution on lower moves unless price breaks the USD 12,612 fractal support. Based on the potential positive reversal, we have a cautious approach to lower moves.



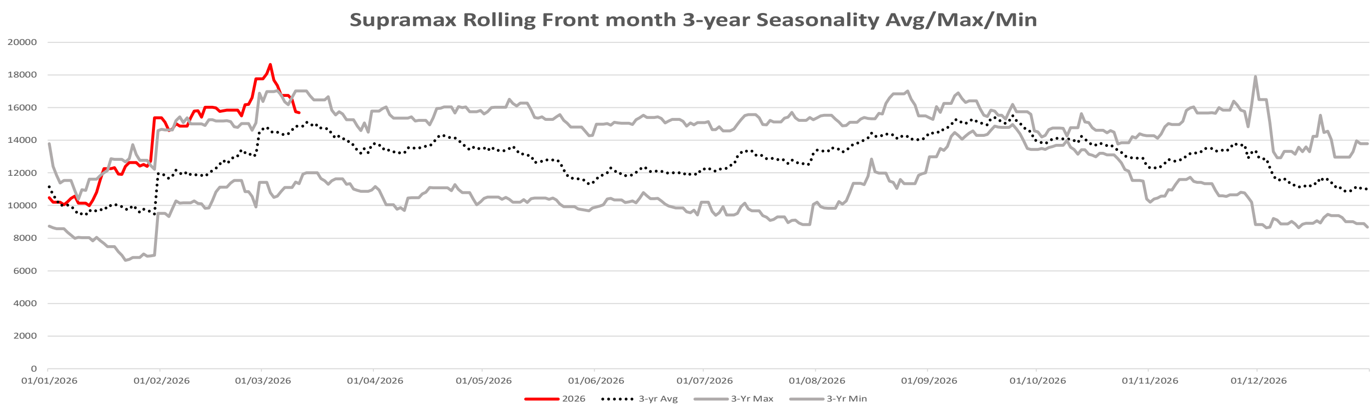
Supramax April 26

Support		Resistance		Current Price	Bull	Bear
S1	15,212	R1	16,662	15,850	RSI above 50	
S2	14,128	R2	17,545			
S3	13,274	R3	18,625			

Synopsis - Intraday

Source Bloomberg

- Price below the 8-21 period EMA's
- RSI is above 50 (53)
- Stochastic is below 50
- Technical outlook last week: Cautious bull
- The broader trend remained bullish last week with downside moves considered as countertrend while above USD 14,128, below this level the probability of the futures trading to a new high would begin to decrease. We noted in the morning technical on the 04/03 that a failed momentum swing high warned of momentum weakness; this had been followed by price selling lower. Although we were seeing weakening price action, the RSI was currently above its moving average at this point: If the RSI closed and held below its MA it would indicate weakening momentum on the daily timeframe, suggesting we are entering a bullish throwback.
- The RSI closed below its average resulting in price selling to a low of USD 15,450 before finding light bid support. We are below the 8-21 period EMA's with the RSI above 50.
- Downside moves that hold at or above USD 14,128 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Entering support zone
- The corrective move is finding support in two consolidation zones that formed in Nov-25 and Feb 26, price is now in the Fibonacci support zone. This suggests caution on downside moves in the very near-term. The RSI moving average implies that momentum is weak, while wave analysis indicates that corrective phases have a tendency to consist of 3-waves, suggesting upside moves should be considered as countertrend at this point. The broader trend remains bullish above USD 14,128 and neutral below. Upside moves that fail at or below USD 16,662 will leave the futures vulnerable to further tests to the downside, a sustained move above this level will signal an increase in buyside pressure, leaving resistance levels vulnerable.



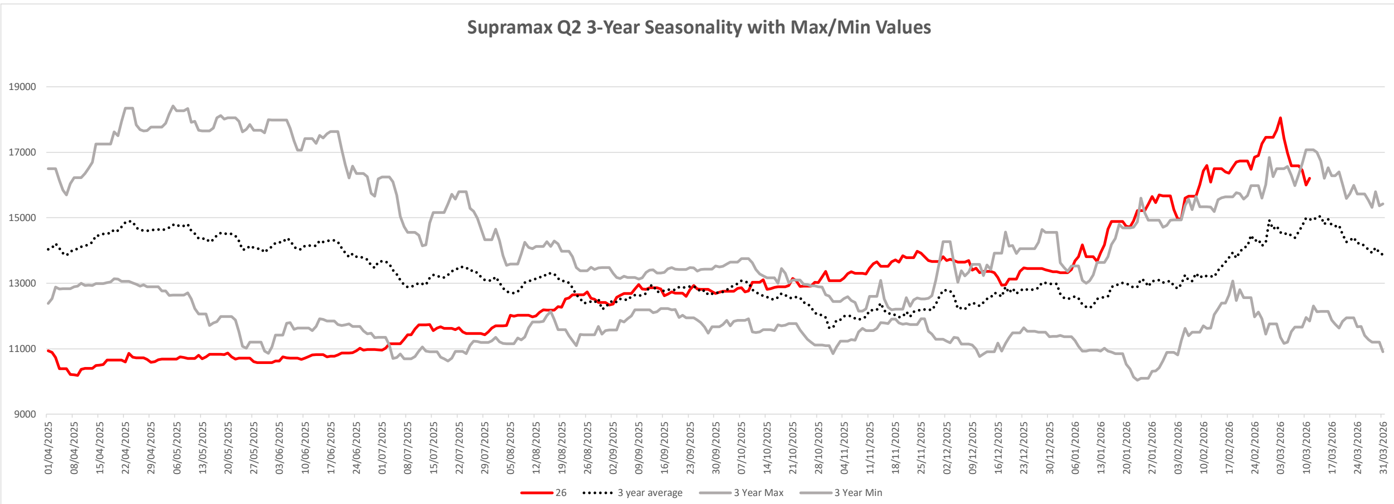
Supramax Q2 26

Support		Resistance		Current Price	Bull	Bear
S1	15,889	R1	16,558	16,275	RSI above 50	
S2	15,457	R2	17,274			
S3	14,725	R3	18,150			

Synopsis - above

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is above 50 (52)
- Stochastic is below 50
- Technical Outlook last week: Bullish throwback
- The futures entered a countertrend corrective move lower last week. However our Elliott wave analysis continued to suggest the downside moves should be considered as countertrend, making 15,889 the key support to follow. If broken, then the probability of the futures trading to a new high within this phase of the cycle would begin to decrease. We noted that the broader trend remained bullish above USD 12,820. We had highlighted two red lines on the chart, one on price, and one on momentum. If the RSI breaks the support that it was currently testing, while price was above the USD 16,475 level, it would mean that there is a bullish reversal pattern in play, warning of underling support in the market. This would need price confirmation, it is not a buy signal in its own right.
- The positive reversal pattern failed as price traded below the USD 16,475 level to a low of USD 15,575. We are below the 8-21 period EMA's with the RSI above 50 .
- Downside moves that hold at or above USD 12,820 will support a longer-term bull argument, below this level the technical will have a neutral bias.
- Technical Outlook: USD 15,889 support broken, caution on higher moves in the near-term
- The broader trend remains bullish but the near-term Elliott wave cycle is now neutral due to the USD 15,889 support being breached. This suggest that upside moves now have the potential to be countertrend while below USD 12,724. If rejected, then any move higher would likely be, wave B, of a 3-wave correction; conversely, above this level price would re-enter bullish territory. Although cautious on upside moves due to the depth of the pullback, we do have two downside rejection candles with price seeing bull support today, suggesting there is bid side support in the market at this point, meaning resistance could come under pressure.



Supramax Cal 27

Support		Resistance		Current Price	Bull	Bear
S1	11,875	R1	12,582	12,500	Stochastic oversold	RSI below 50
S2	11,626	R2	12,762			
S3	12,582	R3	13,006			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (43)
- Stochastic is oversold
- Technical outlook last week: Momentum weakness
- The futures were selling lower on a negative divergence, while the RSI had produced a failed swing high, indicating that momentum was weakening, warning support levels could come under pressure. Below USD 12,287 the lower timeframe wave cycle would become neutral; however, the broader cycle remains bullish above USD 11,347
- The futures sold to a low of USD 12,000 before finding bid support, we are below the 8-21 period EMA's with the RSI below 50.
- Downside moves that hold at or above USD 11,347 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: in a corrective phase but buyside pressure is increasing.
- The downside move below the USD 12,225 fractal support means the technical is bearish based on price; however, the broader trend (Elliott wave cycle) remains bullish above USD 11,347 and neutral below. The last three candle have produced higher highs and higher lows, indicating buyside pressure is increasing, a close above the high of the last dominant bull candle at USD 12,600 will further support a near-term bull argument. However, as price has entered a corrective phase (3-wave pattern, two bearish A and C and one bullish, B), in what looks like a countertrend move, meaning we have a cautious approach on upside moves while below USD 13,006. Above this level would reduce the probability of price trading to a new low.

Supramax Calendar 3-year Seasonality Avg/Max/Min