



Supramax Technical Report

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Index

Although the original divergence remains in play, the second negative divergence highlighted last week has failed, meaning we have bullish momentum confirmation in the near-term. This would suggest that resistance levels are currently vulnerable. Market longs should be cautious on a close below the weekly pivot level at USD 17,959 as it will warn that market sellers are becoming dominant.

July 26

The upside move to a new high has resulted in a negative RSI divergence; however, the intraday 4-hour RSI has made new highs, warning that there remains an underlying support in the market at this point. If the RSI breaks trend support (highlighted), it will warn that we could see a momentum slowdown. Confirmation of weakening price action will come from a close below the trend support line which is currently at USD 18,965. At this point, price and momentum are above their trend lines and therefore supported.

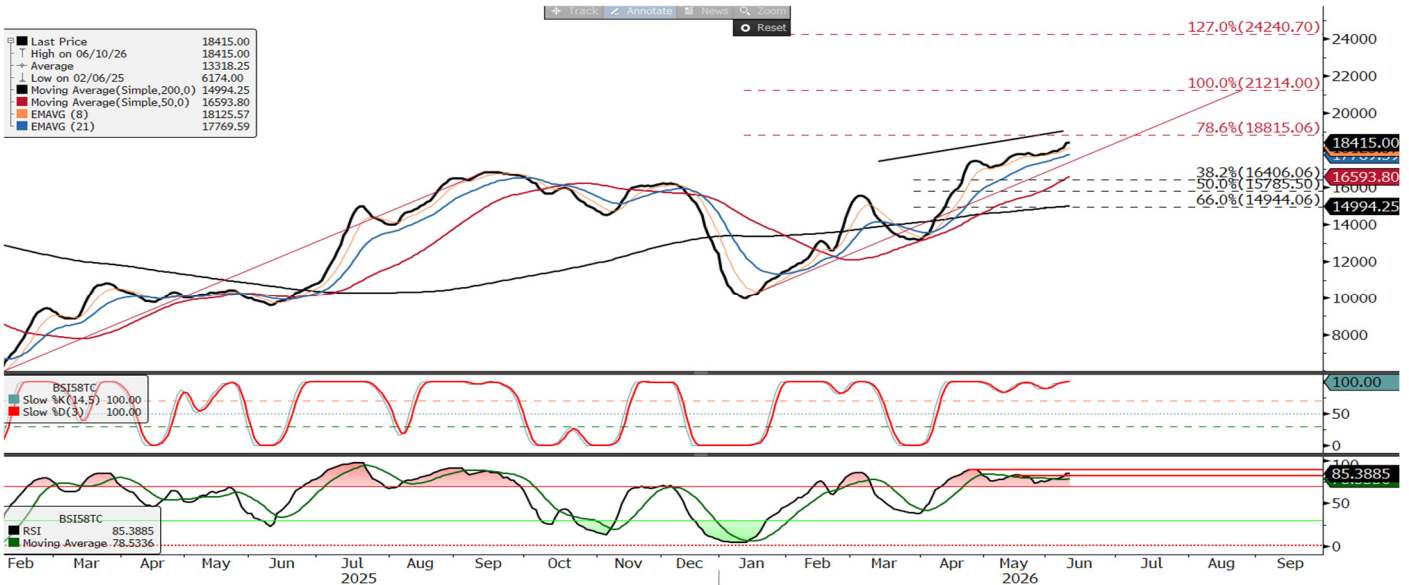
Q3 26

The upside move to a new high means we have a negative divergence in play. This is not a sell signal, it is a warning that we could see a momentum slowdown. If the RSI breaks trend support it will warn that momentum is starting to show signs of weakness. Confirmation of weakening price action will come from a close below the trend support line which is currently at USD 18,719. At this point, price and momentum are above their trend lines, and therefore supported.

Cal 27

The upside move to a new high means we have two negative divergences in play. These are not sell signals, they are warning that we could see a momentum slowdown, which will need to be monitored. Market longs should be cautious on a close below the trend support line at USD 13,528, as it will warn that sell side pressure is on the increase.

Supramax Index



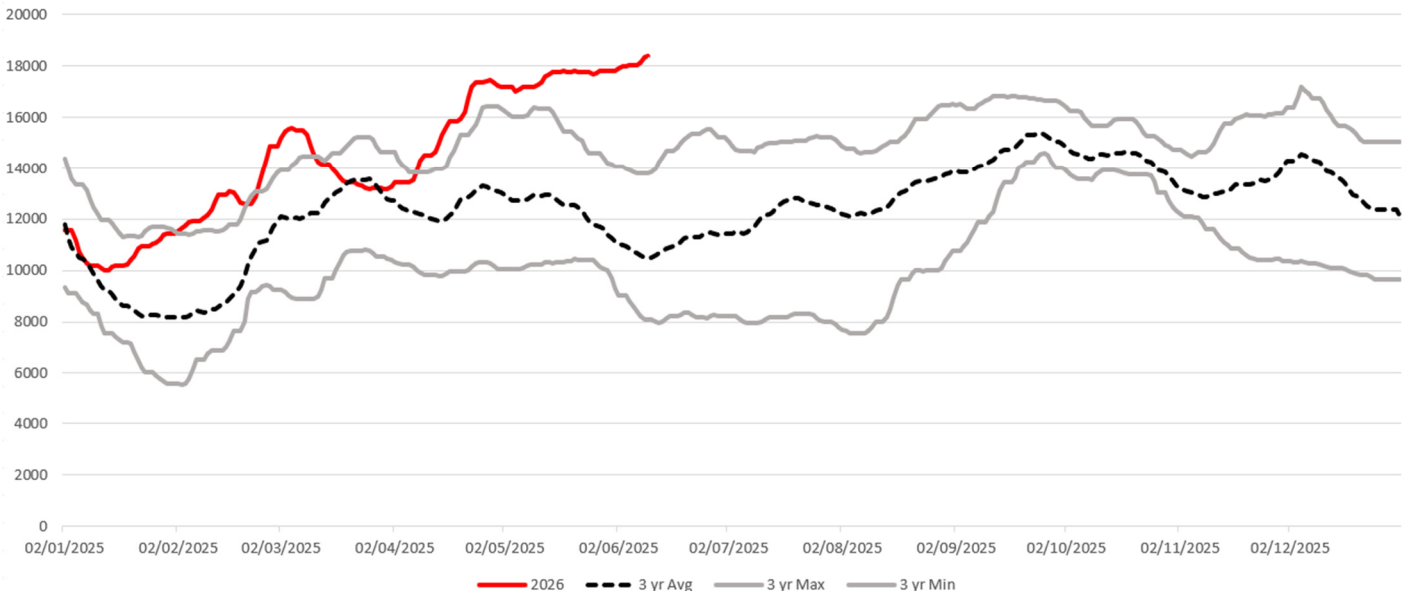
Support	Resistance	Current Price	Bull	Bear
S1	R1	18,415	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (85)
- Stochastic is overbought
- Technical outlook previously: Negative divergence
- We remained cautious on upside moves last week due to the negative divergence with the RSI. We also noted that the new high had created a second negative divergence, while the swing high remained in play. We noted that the divergence was a condition, it was not a sell signal on its own, meaning we would need to see validation from price that buy-side momentum was weakening.
- No validation of weakening price action last week with the index continuing to move higher. We remain 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 18,117 would mean it is aligned to the sell side. Downside moves that hold at or above USD 14,793 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Supported
- Although the original divergence remains in play, the second negative divergence highlighted last week has failed, meaning we have bullish momentum confirmation in the near-term. This would suggest that resistance levels are currently vulnerable. Market longs should be cautious on a close below the weekly pivot level at USD 17,959 as it will warn that market sellers are becoming dominant.

Supramax Index 11 TC 3-Year Seasonality Avg/max/Min



Supramax July 26



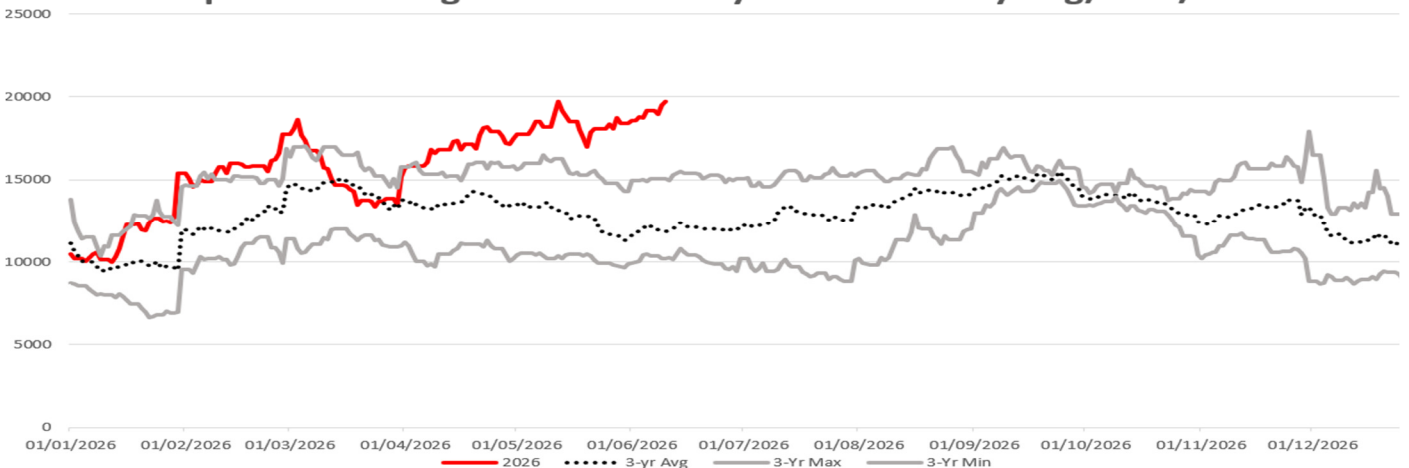
	Support	Resistance	Current Price	Bull	Bear
S1	18,777	R1	19,700	RSI above 50	Stochastic overbought
S2	17,888	R2			
S3	16,800	R3			

Synopsis - Intraday

Source Bloomberg

- Price above the 8-21 period EMA's
- RSI is above 50 (64)
- Stochastic is overbought
- Technical outlook previously: Buyside pressure increasing
- The RSI had positive velocity and positive acceleration last week having reclaimed its moving average, while the move above USD 18,780 meant that the probability of price trading to a new low had started to decrease. Positive momentum alongside the breach in key resistance signaled an increase in buyside pressure, warning resistance levels were becoming vulnerable.
- The futures have traded to a new high on the positive momentum highlighted last week. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 15,17,888 would support a longer-term bull argument, below this level the technical would have a neutral bias.
- Technical outlook: Negative RSI divergence
- The upside moves to a new high has resulted in a negative RSI divergence; however, the intraday 4-hour RSI has made new highs, warning that there remains an underlying support in the market at this point. If the RSI breaks trend support (highlighted), it will warn that we could see a momentum slowdown. Confirmation of weakening price action will come from a close below the trend support line which is currently at USD 18,965. At this point, price and momentum are above their trend lines and therefore supported.

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



Supramax Q3 26



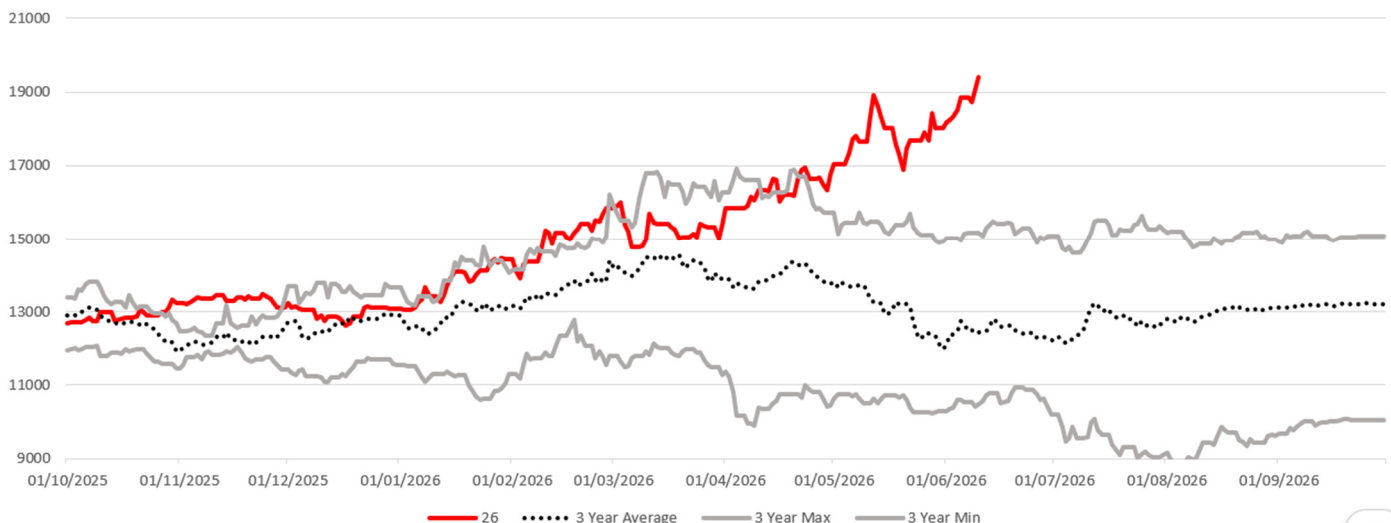
	Support	Resistance	Current Price	Bull	Bear
S1	18,369	R1	19,650	RSI above 50	Stochastic overbought
S2	18,049	R2	20,453		
S3	17,615	R3	21,475		

Synopsis - above

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (66)
- Stochastic is overbought
- Technical Outlook Previously: Buyside pressure increasing
- We noted previously that we had been expecting a 3-wave corrective structure; however, the upside move above USD 18,185 warned that the probability of the futures trading to a new low had started to decrease, signaling an increase in buyside pressure. Market longs should be cautious on a close below the low of the last dominant bull candle at USD 17,900, as it would signal that sell side pressure was increasing. Momentum suggest that the USD 18,950 fractal high could be tested.
- The futures have traded to a new high on the increasing buyside pressure. We are above all key moving averages with the RSI above 50.
- Downside moves that hold at or above USD 17,615 will support a longer-term bull argument, below this level the technical will have a neutral bias.
- Technical Outlook: Negative RSI divergence
- The upside move to a new high means we have a negative divergence in play. This is not a sell signal, it is a warning that we could see a momentum slowdown. If the RSI breaks trend support it will warn that momentum is starting to show signs of weakness. Confirmation of weakening price action will come from a close below the trend support line which is currently at USD 18,719. At this point, price and momentum are above their trend lines, and therefore supported.

Supramax Q3 3-Year Seasonality with Max/Min Values



Supramax Cal 27



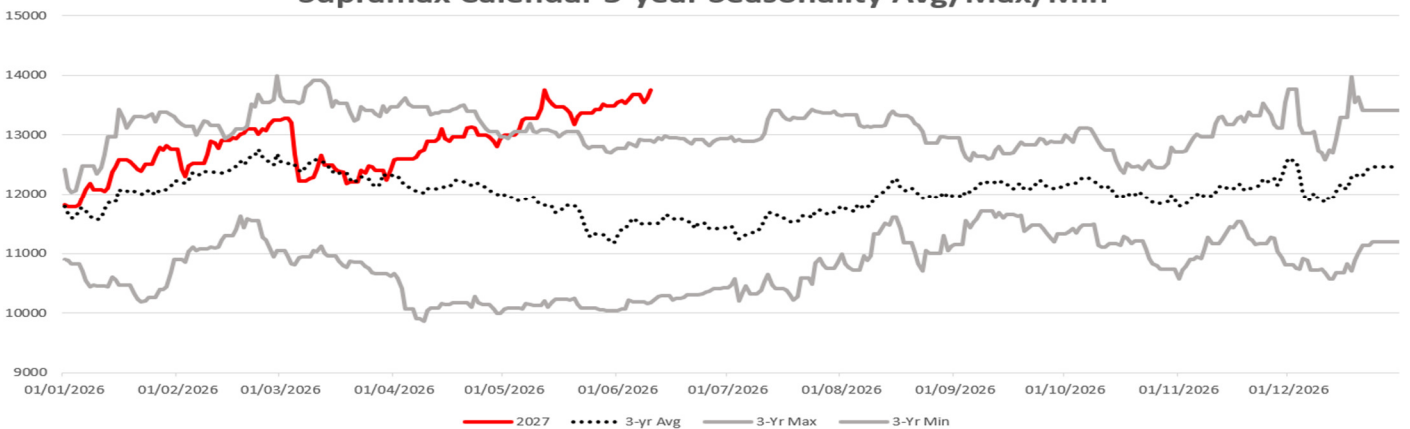
	Support	Resistance	Current Price	Bull	Bear
S1	13,501	R1	13,875	RSI above 50	Stochastic overbought
S2	13,321	R2	14,185		
S3	13,100	R3	14,450		

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (62)
- Stochastic is overbought
- Technical outlook previously: Bullish Throwback
- Unchanged on the technical last week. Having traded above USD 13,512 previously, the probability of price trading to a new low had decreased. However, if we close below the low of the rejection candle 26/05 at USD 13,425 it would warn that sell side pressure is on the increase. Key support remained unchanged at USD 13,066, price was bullish above this level and neutral below.
- The futures have traded to new highs, we are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 13,321 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Negative RSI divergence
- The upside move to a new high means we have two negative divergences in play. These are not sell signals, they are warning that we could see a momentum slowdown, which will need to be monitored. Market longs should be cautious on a close below the trend support line at USD 13,528, as it will warn that sell side pressure is on the increase.

Supramax Calendar 3-year Seasonality Avg/Max/Min



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