FIS

Supramax Technical Report

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Index

Technical outlook: Cautious Bull

The upside move to a new high on the positive reversal pattern means that the index is now divergent with the RSI. Not a sell signal, it is warning that we could see a momentum slowdown, which will need to be monitored. Note: bearish price action is needed to confirm that the divergence is in play. We are now cautious on upside moves at these levels.

Aug 26

Technical outlook: Caution on higher moves

We are going to stick with the Elliott wave cycle this week and maintain a cautious approach to higher moves. We have a rejection candle at the USD 19,349 resistance with the RSI failing to move above the 60 level, warning of momentum weakness. A close below the low of the last dominant bull candle at USD 18,750 will signal an increase in sell side pressure. Conversely, market sellers need to be cautious if the USD 19,349 resistance is breached, as the probability of price trading to a new low will begin to decrease.

Q4 26

Technical Outlook: Cautious bull

The upside move to a new high means that the RSI is divergent with price. Not a sell signal, it is a warning that we could see a momentum slowdown. The futures will need to produce negative price action to confirm that the divergence is being respected. If the RSI fails to hold above 60, momentum will signal a weakening technical condition. Due to the divergence, we are now cautious on upside moves at these levels. We identify USD 13,749 as the key support to follow, throwbacks that hold above this level will warn of underlying support in the market, conversely, if breached, the probability of price trading to a new high will begin to decrease.

Cal 27

Technical outlook: Downside moves considered as countertrend

Bullish momentum confirmation previously, alongside the RSI breaching the 70 level, suggests that downside moves should be considered as countertrend, providing throwbacks hold at or above USD 13,749. Below this level, the probability of the futures trading to a new high will start to decrease.

Supramax Index

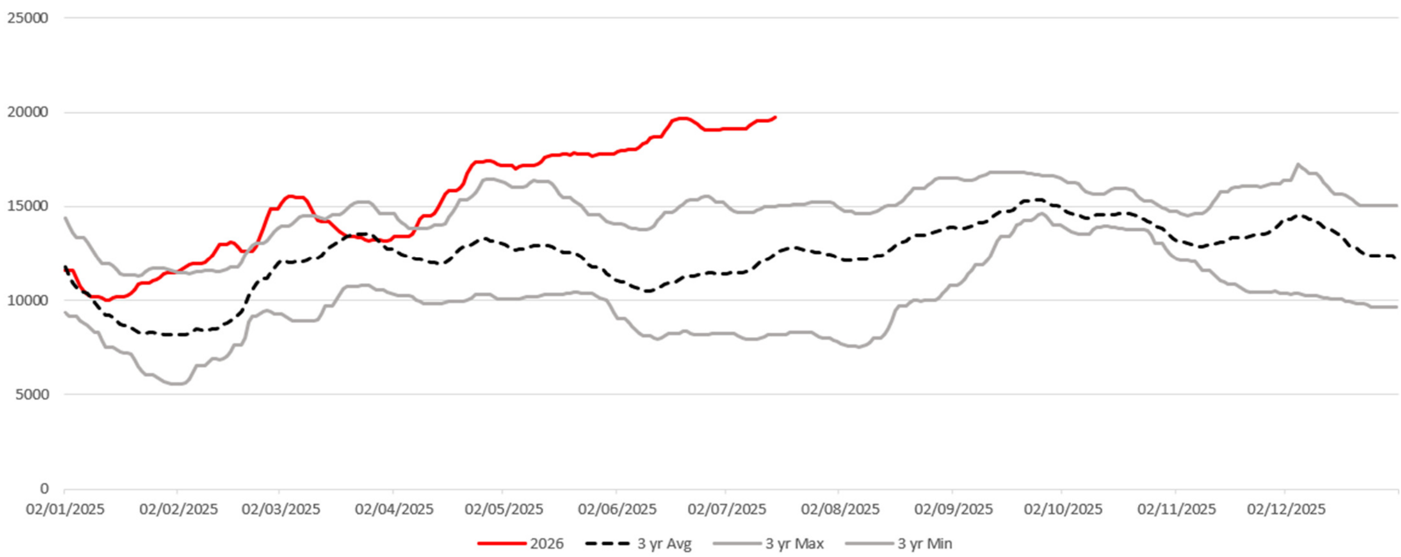
Support		Resistance		Current Price	Bull	Bear
S1	17,208	R1	21,214	19,713	RSI above 50	Stochastic overbought
S2	16,434	R2	24,240			
S3	15,385	R3	25,496			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (78)
- Stochastic is overbought
- Technical outlook previously: bullish throwback
- Having highlighted the bullish momentum previously, price was finding bid support last week; however, the move lower had resulted in the RSI making a new low, price had not, meaning we also had a bullish reversal pattern in play, suggesting the USD 19,681 fractal high could be tested and broken. We maintained a cautious approach to lower moves at that point, providing we held above USD 15,374 support. We also noted that a new high would create a negative divergence with the RSI, this was a condition that warned buyside momentum could slow down. It was important to note that confirmation from price is needed to confirm that momentum is weakening.
- The index has traded to a new high on the positive reversal pattern. We are above all key moving averages supported by the RSI above 50.
- Momentum based on price (MBP) is aligned to the buyside, a close below USD 19,508 would mean it is aligned to the sell side. Downside moves that hold at or above USD 15,385 would support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Cautious Bull
- The upside move to a new high on the positive reversal pattern means that the index is now divergent with the RSI. Not a sell signal, it is warning that we could see a momentum slowdown, which will need to be monitored. Note: bearish price action is needed to confirm that the divergence is in play. We are now cautious on upside moves at these levels.

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



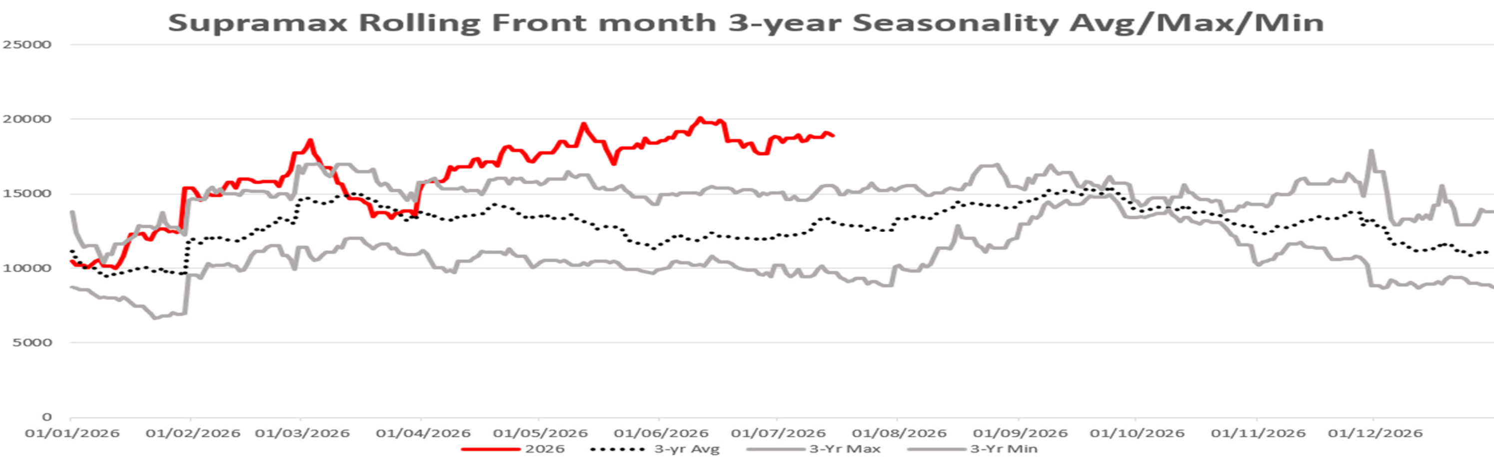
Supramax Aug 26

Support		Resistance		Current Price	Bull	Bear
S1	17,973	R1	19,349	18,875	RSI above 50	Stochastic overbought
S2	17,538	R2	20,250			
S3	16,800	R3	20,918			

Synopsis - Intraday

Source Bloomberg

- Price above the 8-21 period EMA's
- RSI is above 50 (52)
- Stochastic is overbought
- Technical outlook previously: Neutral
- We noted last week that there was evidence of bid support in the market due to price and the RSI both breaking resistance lines. However, the pullback previously below USD 17,973 warned that the probability of price trading to a new high had started to decrease. We also had an issue with the 19,400 low on 08/07 (highlighted black circle), as it breached the USD 19,450 fractal support, meaning the structure of the upside move looked like it be countertrend, rather than impulse. This technical was conflicting, the structure suggests caution on higher moves; however, a weekly support candle, while price and the RSI breaking trend resistance, warned we move higher, the conflict meant we are neutral.
- Conflicting signals last week has resulted in price moving higher, but we look to be in the process of rejecting the USD 19,349 resistance. We are above the 8-21 period EMA's supported by the RSI above 50.
- Upside moves that fail at or below USD 19,349 9revised lower) will leave the futures vulnerable to further tests to the downside.
- Technical outlook: Caution on higher moves
- We are going to stick with the Elliott wave cycle this week and maintain a cautious approach to higher moves. We have a rejection candle at the USD 19,349 resistance with the RSI failing to move above the 60 level, warning of momentum weakness. A close below the low of the last dominant bull candle at USD 18,750 will signal an increase in sell side pressure. Conversely, market sellers need to be cautious if the USD 19,349 resistance is breached, as the probability of price trading to a new low will begin to decrease.



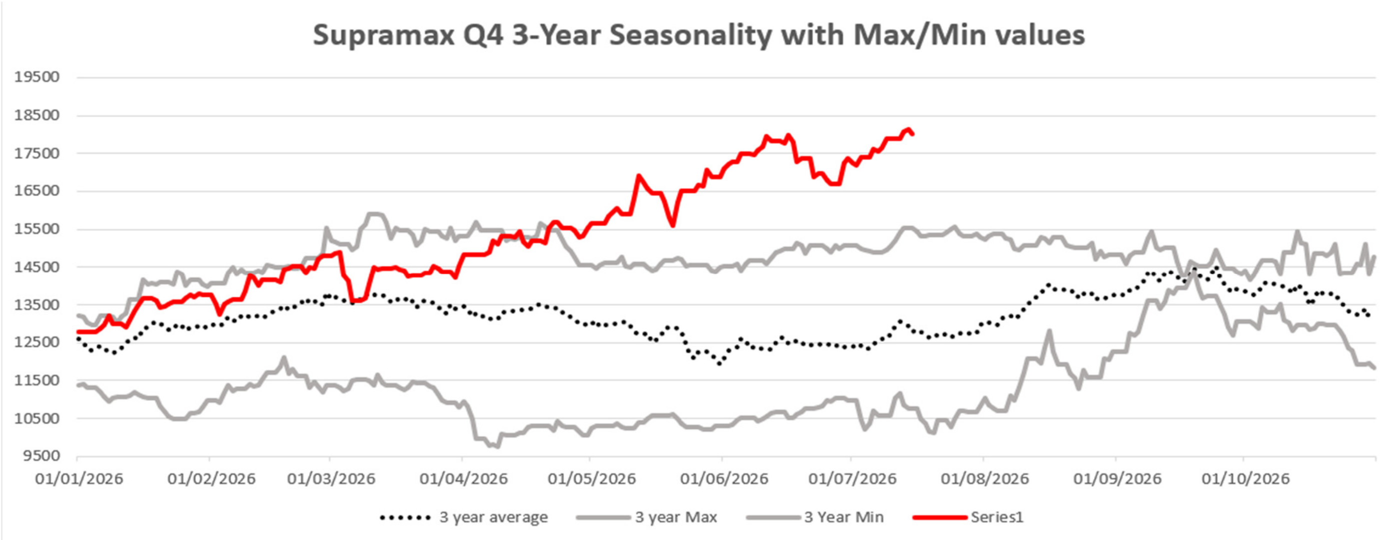
Supramax Q4 26

Support		Resistance		Current Price	Bull	Bear
S1	17,575	R1	18,435	18,025	RSI above 50	Stochastic overbought
S2	17,375	R2	19,025			
S3	17,103	R3	19,615			

Synopsis - above

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is above 50 (63)
- Stochastic is overbought
- Technical Outlook Previously: Buyside pressure increasing
- We noted last week that the pullback in the Q4 futures had held the USD 16,376 level, supporting a bull argument. We also noted that price has broken key resistance at USD 17,851, implying buyside pressure was increasing. The RSI is going to need to move and hold above the 60 level; if we did, then momentum would suggest that we would trade to a new high. Conversely, market buyers should act with caution to bearish price action if the RSI rejected the 60 level.
- The RSI move above 60 resulting in price trading to a new high. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 17,103 will support a bull argument, below this level the technical will have a neutral bias.
- Technical Outlook: Cautious bull
- The upside move to a new high means that the RSI is divergent with price. Not a sell signal, it is a warning that we could see a momentum slowdown. The futures will need to produce negative price action to confirm that the divergence is being respected. If the RSI fails to hold above 60, momentum will signal a weakening technical condition. Due to the divergence, we are now cautious on upside moves at these levels. We identify USD 13,749 as the key support to follow, throwbacks that hold above this level will warn of underlying support in the market, conversely, if breached, the probability of price trading to a new high will begin to decrease.



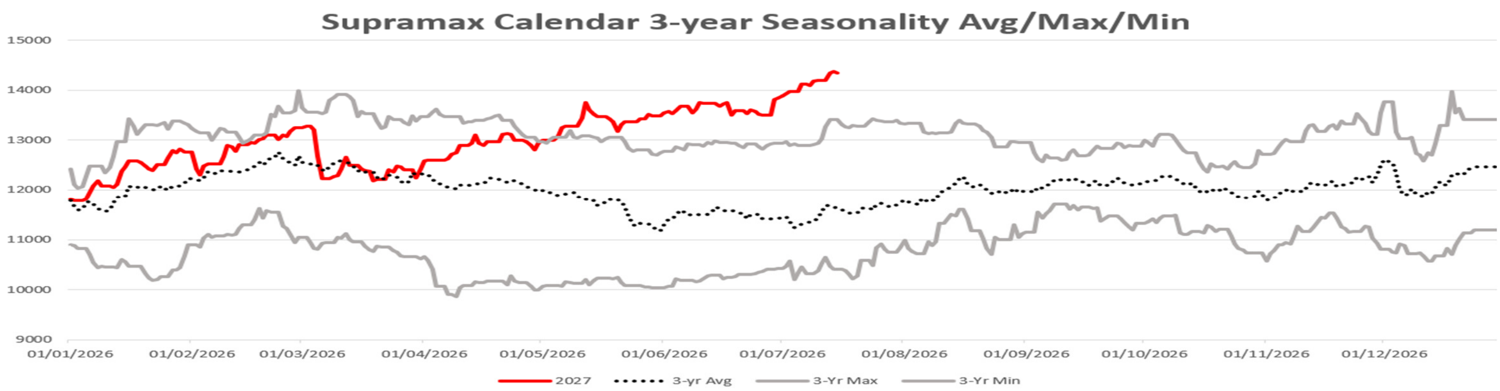
Supramax Cal 27

Support		Resistance		Current Price	Bull	Bear
S1	14,155	R1	14,455	14,350	RSI above 50	Stochastic overbought
S2	14,054	R2	14,825			
S3	13,749	R3	15,290			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (70)
- Stochastic is overbought
- Technical outlook previously: buyside pressure increasing
- The upside move to a new high last week was being replicated by the RSI, meaning we had bullish momentum support, we also noted that the RSI was breaching the 70 level. With price in a trending environment, the RSI move above 70 signaled momentum strength, not an overbought scenario, suggesting downside moves should be considered as countertrend, providing we held above the USD 13,474 level. Below USD 13,474, the probability of price trading to a new high would begin to decrease. A close and hold below the trend support line at USD 14,046 would signal price is entering a corrective phase.
- The futures continue to trade to new highs, we are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 13,749 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Downside moves considered as countertrend
- Bullish momentum confirmation previously, alongside the RSI breaching the 70 level, suggests that downside moves should be considered as countertrend, providing throwbacks hold at or above USD 13,749. Below this level, the probability of the futures trading to a new high will start to decrease.



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