FIS

Supramax Technical Report

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Index

Technical outlook: Cautious Bull

Price remains in divergence with the RSI, if the RSI makes a new low it will create a failed momentum swing high; this would warn that price could see further downside. However, as stated last week, we would need to see bearish confirmation form price to confirm that the divergence was being respected. A close and hold below the 50-period MA at USDS 18,776, or a move below the USD 19,042 fractal support would constitute a weakening technical condition. A fractal support break is the more solid condition out of the two, as it would mean price had created a lower low.

Aug 26

Technical outlook: Caution on higher moves

Technically we are neutral, as the probability of the futures trading to a new low has started to decrease. However, we remain cautious on upside moves as the RSI has rejected the 60 level, while price has broken the trend support line, implying price action is weakening. We now need to see a close and hold below the 50-period MA at USD 18,737, as this will warn that sell side pressure is increasing, while a move below USD 18,212 would put the technical back into bearish territory. Market sellers should act with caution on a close and hold above the trend line, as it will validate the USD 19,349 resistance break, implying there is underlying support in the market.

Q4 26

Technical Outlook: cautious bull

The futures are starting to sell lower on the negative divergence with the RSI. Price has broken trend support at USD 18,568, warning sell side pressure is increasing. Throwbacks that hold at or above USD 17,216 will support a bull argument; however, a move below USD 17,216 will reduce the probability of the futures trading to a new high. We maintain a cautious approach to higher moves as price is likely to create further divergences above the USD 18,475 fractal high.

Cal 27

Technical outlook: Downside moves considered as countertrend

Technically unchanged this week, in the sense that downside moves are still considered as countertrend. We are seeing a failed swing high on the RSI, warning momentum could be weakening. If we close below the trend support line at USD 14,403 it will signal price has entered a corrective phase. Throwbacks that hold at or above USD 13,828 will support a bull argument, below this level the probability of price trading to a new high will begin to decrease.

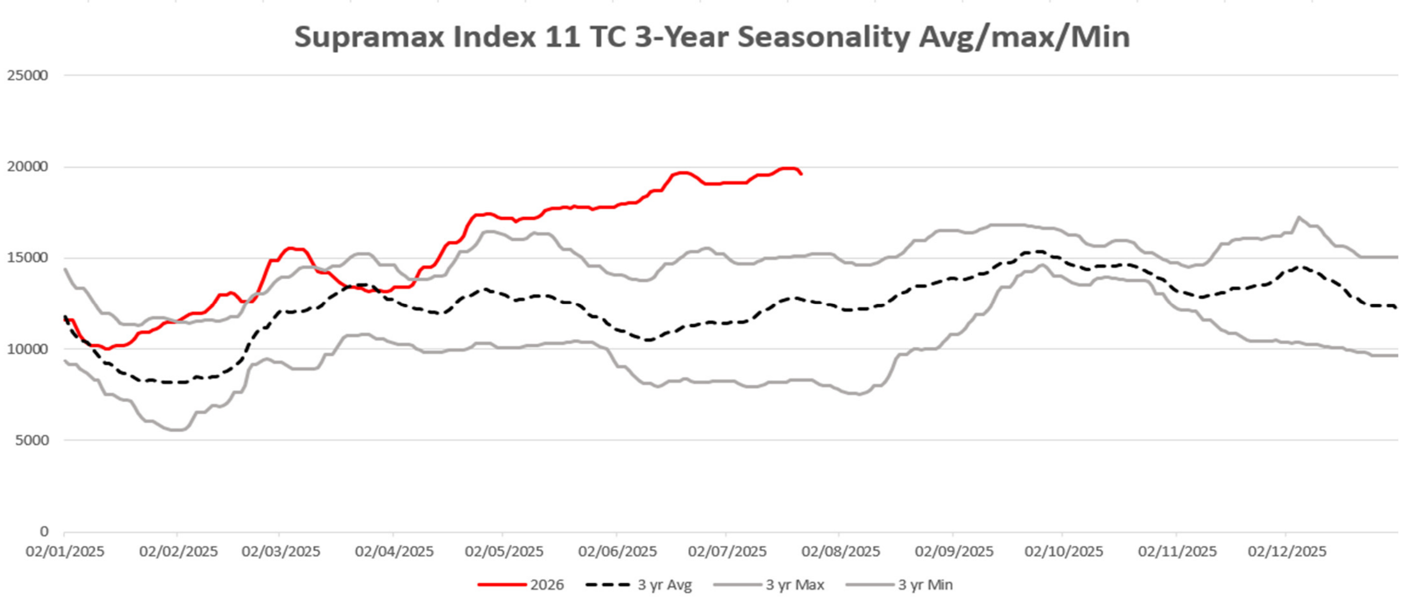
Supramax Index

Support		Resistance		Current Price	Bull	Bear
S1	19,042	R1	21,214	19,640	RSI above 50	Stochastic overbought
S2	17,339	R2	24,240			
S3	16,541	R3	25,496			

Synopsis - Intraday

Source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is above 50 (64)
- Stochastic is overbought
- Technical outlook previously: Cautious Bull
- The upside move to a new high on the positive reversal pattern last week meant that the index was divergent with the RSI. Not a sell signal, it is warned that we could see a momentum slowdown, which needed to be monitored. We noted that bearish price action was needed to confirm that the divergence is in play. We were cautious on upside moves at those levels.
- The index is starting to sell lower on the RSI divergence, price is between the 8-21 period RSI's with the RSI above 50.
- Momentum based on price (MBP) is aligned to the sell side, a close above USD 19,867 would mean it is aligned to the buyside. Downside moves that hold at or above USD 15,457 would support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Cautious Bull
- Price remains in divergence with the RSI, if the RSI makes a new low it will create a failed momentum swing high; this would warn that price could see further downside. However, as stated last week, we would need to see bearish confirmation form price to confirm that the divergence was being respected. A close and hold below the 50-period MA at USDS 18,776, or a move below the USD 19,042 fractal support would constitute a weakening technical condition. A fractal support break is the more solid condition out of the two, as it would mean price had created a lower low.



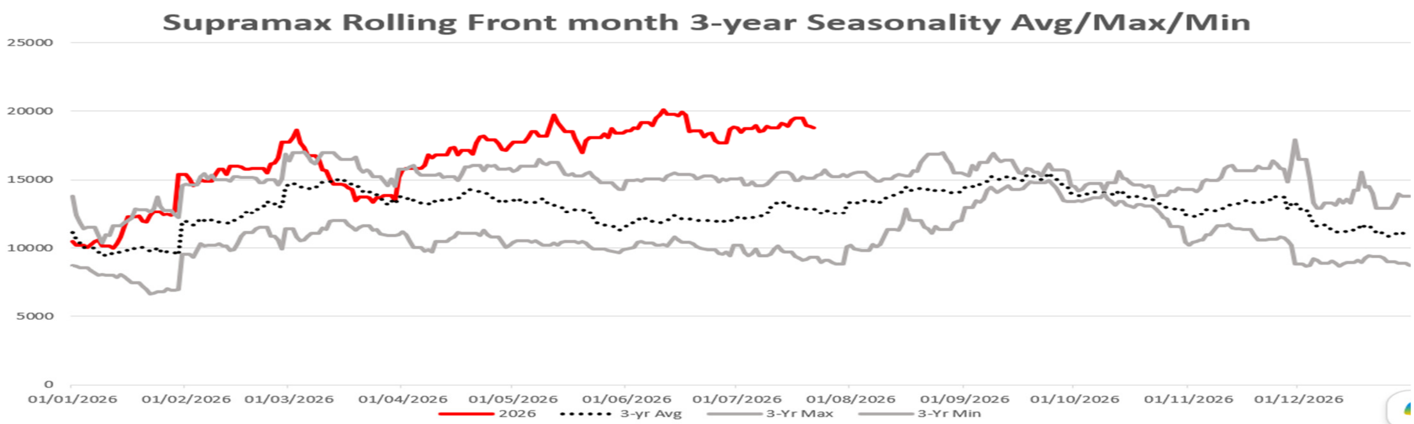
Supramax Aug 26

Support		Resistance		Current Price	Bull	Bear
S1	18,212	R1	19,349	18,800		Stochastic overbought
S2	17,973	R2	19,682			
S3	17,583	R3	20,250			

Synopsis - Intraday

Source Bloomberg

- Price below the 8-21 period EMA's
- RSI is below 50 (49)
- Stochastic is overbought
- Technical outlook previously: Caution on higher moves
- We decided to stick with our Elliott wave cycle last week and maintained a cautious approach to higher moves. We had 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 would signal an increase in sell side pressure. Conversely, market sellers needed to be cautious if the USD 19,349 resistance was breached, as the probability of price trading to a new low would begin to decrease.
- The futures have traded above the USD 193,49 resistance; however, this has been followed by a break in the trend support line at USD 18,323. We are below the 8-21 period EMA's with the RSI below 50.
- Downside moves that hold at or above USD 18,212 will support a bull argument, below this level the technical will re-enter bearish territory.
- Technical outlook: Caution on higher moves
- Technically we are neutral, as the probability of the futures trading to a new low has started to decrease. However, we remain cautious on upside moves as the RSI has rejected the 60 level, while price has broken the trend support line, implying price action is weakening. We now need to see a close and hold below the 50-period MA at USD 18,737, as this will warn that sell side pressure is increasing, while a move below USD 18,212 would put the technical back into bearish territory. Market sellers should act with caution on a close and hold above the trend line, as it will validate the USD 19,349 resistance break, implying there is underlying support in the market.



Supramax Q4 26

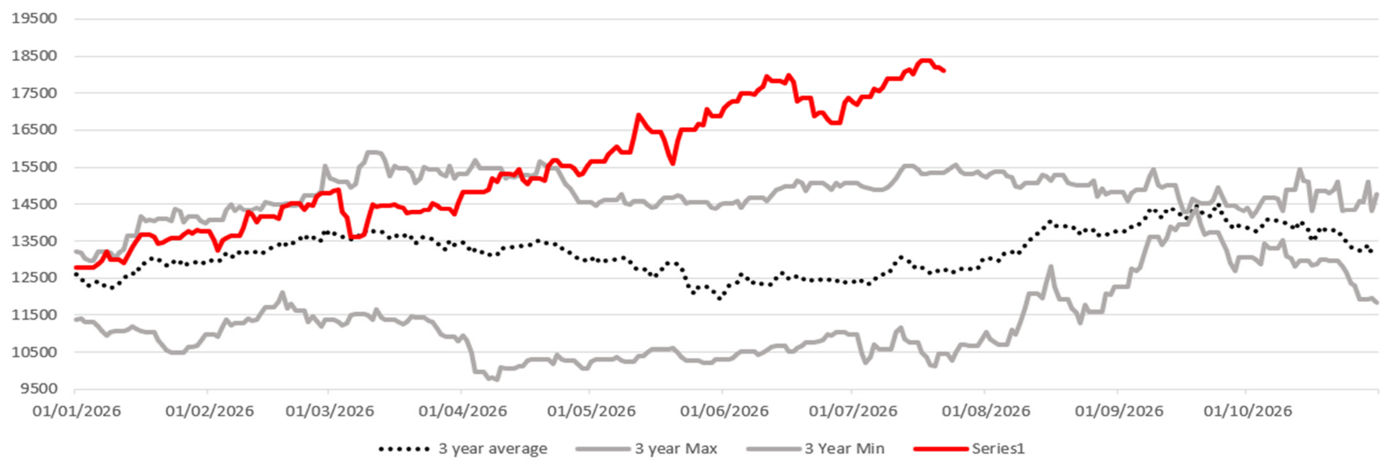
Support		Resistance		Current Price	Bull	Bear
S1	17,575	R1	18,435	18,050	RSI above 50	Stochastic overbought
S2	17,375	R2	18,568			
S3	17,103	R3	19,025			

Synopsis - above

Source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is above 50 (57)
- Stochastic is overbought
- Technical Outlook Previously: Cautious bull
- We noted last week that the upside move to a new high meant that the RSI was divergent with price. Not a sell signal, it warned that we could see a momentum slowdown. The futures needed to produce negative price action to confirm that the divergence was being respected. If the RSI failed to hold above 60, momentum would signal a weakening technical condition. Due to the divergence, we were cautious on upside moves at those levels. We identified USD 13,749 as the key support to follow, throwbacks that held above this level would warn of underlying support in the market, conversely, if breached, the probability of price trading to a new high would begin to decrease.
- The futures traded to high of USD 14,875 before entering a small corrective phase. We are between the 8-21 period EMA's with the RSI above 50.
- Downside moves that hold at or above USD 17,216 will support a bull argument, below this level the technical will have a neutral bias.
- Technical Outlook: cautious bull
- The futures are starting to sell lower on the negative divergence with the RSI. Price has broken trend support at USD 18,568, warning sell side pressure is increasing. Throwbacks that hold at or above USD 17,216 will support a bull argument; however, a move below USD 17,216 will reduce the probability of the futures trading to a new high. We maintain a cautious approach to higher moves as price is likely to create further divergences above the USD 18,475 fractal high.

Supramax Q4 3-Year Seasonality with Max/Min values



Supramax Cal 27

Support		Resistance		Current Price	Bull	Bear
S1	14,403	R1	14,825	14,550	RSI above 50	Stochastic overbought
S2	14,198	R2	15,290			
S3	13,828	R3	15,687			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (67)
- Stochastic is overbought
- Technical outlook previously: buyside pressure increasing
- We noted last week that bullish momentum confirmation previously, alongside the RSI breaching the 70 level, suggested that downside moves should be considered as countertrend, providing throwbacks held at or above USD 13,749. Below this level, the probability of the futures trading to a new high will start to decrease.
- 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 13,828 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Downside moves considered as countertrend
- Technically unchanged this week, in the sense that downside moves are still considered as countertrend. We are seeing a failed swing high on the RSI, warning momentum could be weakening. If we close below the trend support line at USD 14,403 it will signal price has entered a corrective phase. Throwbacks that hold at or above USD 13,828 will support a bull argument, below this level the probability of price trading to a new high will begin to decrease.