FIS

Panamax Technical Report

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Index

Technical outlook: Neutral

The upside rejection of the USD 21,060 level has been followed by a breach in the USD 18,887 support, indicating sell side pressure has started to decrease. However, the RSI is currently holding the 40 level, signaling momentum remains supported. This confliction means that we have a neutral bias this week. If we do see further downside moves, supported by the RSI breaking and holding below 40, then it will warn of further deterioration.

Sep 26

Technical outlook: Buyside pressure increasing

A three-wave pattern lower has been followed by a break in the fractal resistance at USD 19,950, signaling buyside pressure is on the increase. A bearish Harami pattern formed yesterday; however, price remains supported. Upside moves above USD 21,400 has the potential to signal renewed buyside pressure, if we do, it will warn that the USD 21,800 fractal resistance could be tested.

Q4 26

Technical outlook: Supported

The upside move above the high of the rejection candle at USD 21,375 has resulted in renewed buying interest, warning that the market remains supported at this point, suggesting downside moves have the potential to be countertrend in the near-term. There is a very minor divergence in play that needs to be monitored; however, it is fails, it will further support a buyers argument.

Cal 27

Technical outlook: Supported

Although the initial divergence has failed, we are still divergent having traded at new highs. Saying that RSI pullback are holding above 60 and consistently breaching 70, signaling a trending environment. We maintain out view that downside moves should be considered as countertrend at this point.

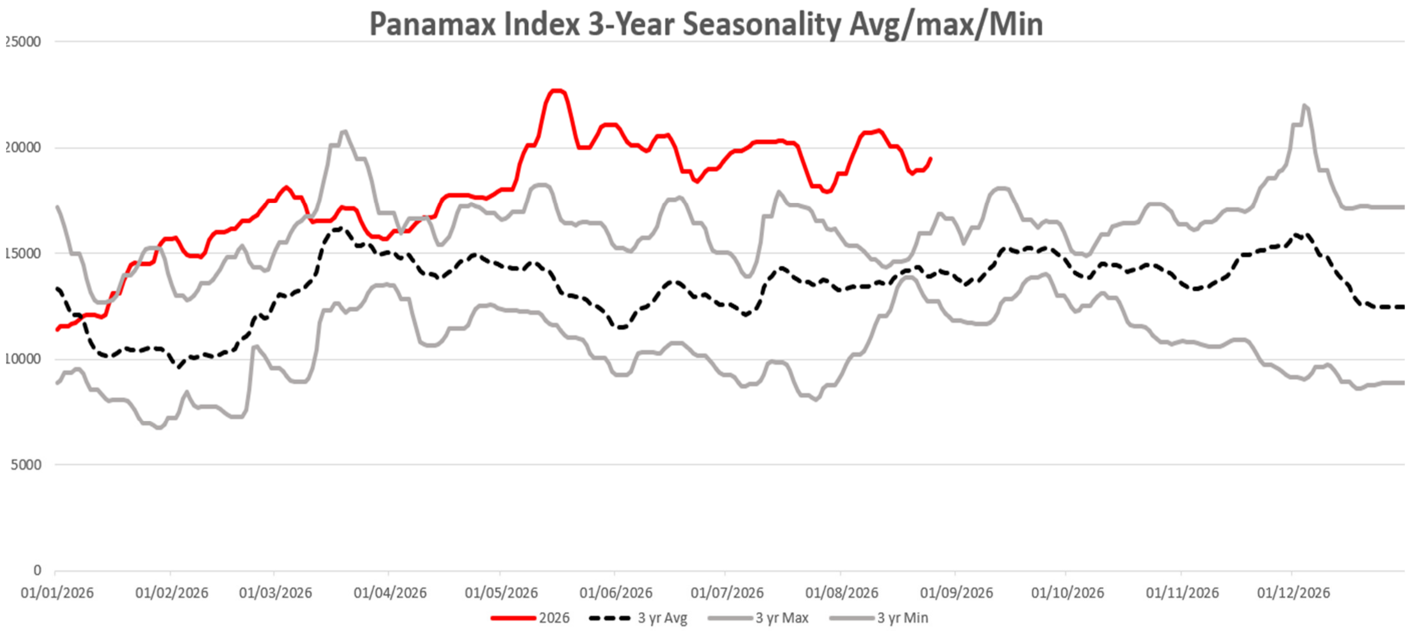
Panamax Index

Support		Resistance		Current Price	Bull	Bear
S1	18,887	R1	21,060	19,496	Stochastic oversold	RSI below 50
S2	18,025	R2	21,664			
S3	17,064	R3	22,691			

Synopsis - Intraday

Source Bloomberg

- Price is below the 34 - 55 period EMA's
- RSI is below 50 (48)
- Stochastic is increasing
- Technical outlook previously: Rejecting resistance
- We noted last week that the downside move breached the USD 18,025 support, while the upside move failed to reclaim the USD 21,060 resistance, warning the USD 17,896 support could be tested. However, throwbacks that held above the USD 18,887 level would warn of underlying support in the market; conversely, below USD 18,887 would signal an increase in sell side pressure, supporting the rejection of the USD 21,060 resistance.
- The index sold to a low of USD 18,790 before finding light bid support. We are below the 34-55 period EMA's with the RSI below 50.
- Upside moves that fail at or below USD 21,060 will warn that support levels could come back under pressure.
- Technical outlook: Neutral
- The upside rejection of the USD 21,060 level has been followed by a breach in the USD 18,887 support, indicating sell side pressure has started to decrease. However, the RSI is currently holding the 40 level, signaling momentum remains supported. This confliction means that we have a neutral bias this week. If we do see further downside moves, supported by the RSI breaking and holding below 40, then it will warn of further deterioration.



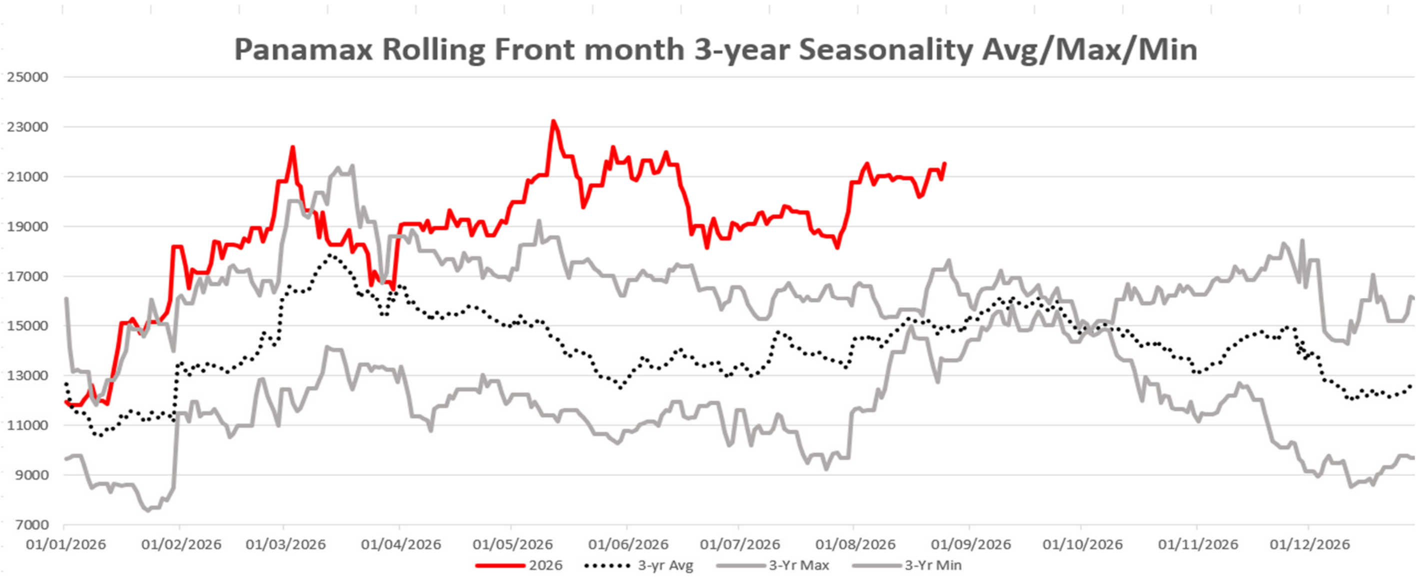
Panamax Sep 26 (1 Month forward)

Support		Resistance		Current Price	Bull	Bear
S1	19,975	R1	21,800	21,300	RSI above 50	
S2	19,391	R2	22,035			
S3	18,931	R3	22,601			

Source Bloomberg

Synopsis - Intraday

- Price is below the 8– 21 period EMA's
- RSI is above 50 (60)
- Stochastic is above 50
- Technical outlook previously: Approaching support
- We noted last week that we had a 100% Fibonacci projection support at USD 20,000, a Fibonacci retracement support at USD 19,975, alongside the daily 50-period MA at USD 19,757. The 3-wave pattern lower while approaching the support zone had the potential to attract buying interest, implying caution at those levels. However, a close and hold below the 50 period MA would leave the USD 19,391 support vulnerable. This is a key level on the technical; if broken it would warn of further deterioration.
- The futures held the support zone highlighted last week resulting in price moving higher. We are above all key moving average supported by the RSI above 50.
- Downside moves that hold at or above USD 19,391 will support a bull argument, below this level the technical will re-enter bearish territory.
- Technical outlook: Buyside pressure increasing
- A three wave pattern lower has been followed by a break in the fractal resistance at USD 19,950, signaling buyside pressure is on the increase. A bearish Harami pattern formed yesterday; however, price remains supported. Upside moves above USD 21,400 has the



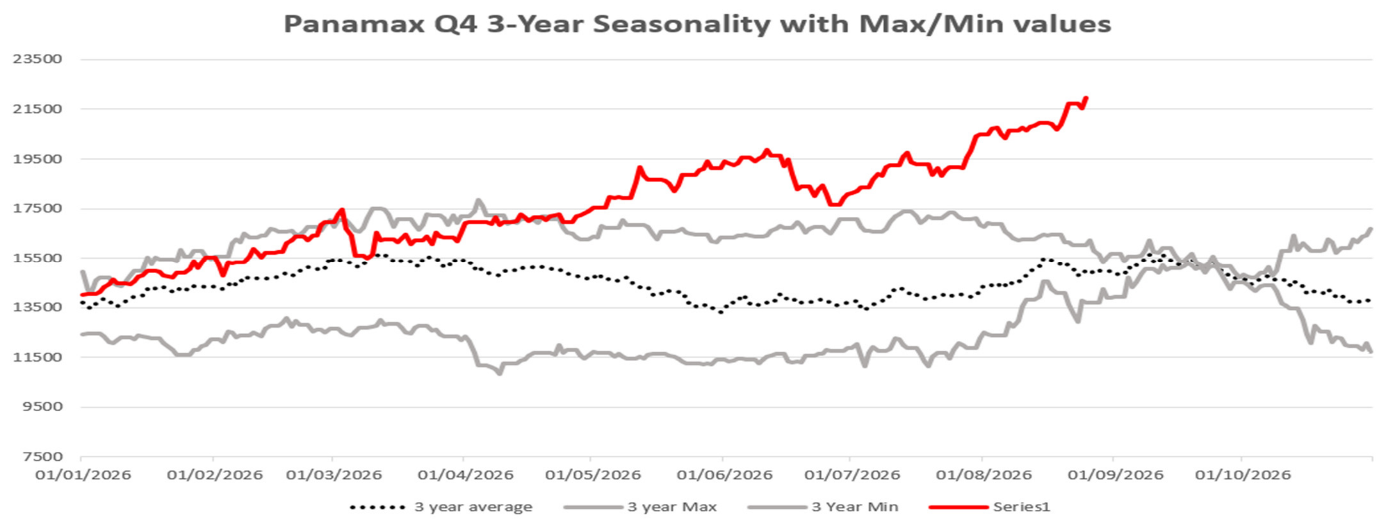
Panamax Q4 26

Support		Resistance		Current Price	Bull	Bear
S1	20,188	R1	22,800	21,950	RSI above 50	Stochastic overbought
S2	19,775	R2	24,210			
S3	19,071	R3	24,795			

Source Bloomberg

Synopsis - Intraday

- Price is above the 8-21 period EMA's
- RSI is above 50 (74)
- Stochastic is overbought
- Technical outlook previously: Downside moves considered as countertrend
- Sell side pressure increasing
- We noted last week that an upside rejection candle on the 17/08 due to a negative RSI divergence warns of momentum weakness. If the RSI broke its support line it would warn that price could test its trend support at USD 19,876 in the near-term. A close and hold below the support line would leave market sellers looking to test the USD 18,867 level. This was a key support to follow, throwbacks that hold at or above this level will signal that the broader trend remains supported. Conversely, a bullish support candle of the trend support line would also signal underlying market support.
- The RSI held above its support line with price showing no downside follow through, this was despite the rejection candle, lower close and the divergence. Price has continued to move higher, we are above all key moving averages with the RSI above 50.
- Downside moves that hold at or above USD 19,071 will support a bull argument, below this level the probability of the futures trading to a new high will begin to decrease.
- Technical outlook: Supported
- The upside move above the high of the rejection candle at USD 21,375 has resulted in renewed buying interest, warning that the market remains supported at this point, suggesting downside moves have the potential to be countertrend in the near-term. There is a very minor divergence in play that needs to be monitored; however, it is fails, it will further support a buyers argument.



Panamax Cal 27

Support		Resistance		Current Price	Bull	Bear
S1	16,756	R1	17,998	17,800	RSI above 50	Stochastic overbought
S2	16,427	R2	18,699			
S3	15,979	R3	19,133			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (72)
- Stochastic is overbought
- Technical outlook previously: Negative divergence in play
- The upside move to a new high last week had resulted in a negative RSI divergence. We noted that this was not a sell signal, it was a condition that warned that buyside momentum could slow down; however, it needed to be monitored, as price was vulnerable to a technical throwback. On the buyside, we look to have seen a bullish Elliot wave extension (labelled) suggesting downside moves should be considered as countertrend, providing the USD 15,868 support was not breached. If it was, then the probability of price trading to a new high would begin to decrease.
- The futures traded at new highs resulting in the divergence failing. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- Downside moves that hold at or above USD 15,979 will support a bull argument, below this level the technical will have a neutral bias
- Technical outlook: Supported
- Although the initial divergence has failed, we are still divergent having traded at new highs. Saying that RSI pullback are holding above 60 and consistently breaching 70, signaling a trending environment. We maintain out view that downside moves should be considered as countertrend at this point.