

Index

Technical outlook: Inflection point

Having made a lower low the index is now testing its trend support line at USD 18,396. A close and hold below the line would signal further technical weakness, warning support levels could come under pressure. Conversely, if we hold the support line and reclaim the 50-period MA at USD 19,038, it would signal an increase in buy-side pressure. The broader trend is still considered as bullish at this point; however, near-term price action is neutral as the market needs to signal its directional bias from here.

Sep 26

Technical outlook: Neutral

There is a reason for neutrality on the technical this week. Although the broader trend is currently bullish, but the Elliott wave cycle lacks clarity. If we look at recent price action we can see that the pullback has created a positive reversal pattern with the RSI, warning resistance levels remain vulnerable. A bullish Harami pattern is also forming, implying underlying support in the market. Countering this, we have a 3 black soldiers candle pattern (red soldiers in this case). The three consecutive down days signal a change in market psychology, indicating sell-side pressure is increasing. If we see a daily close below 19,650 it will warn of further deterioration within the trend.

Q4 26

Technical Outlook: Downside moves considered as countertrend.

The move to a new high has resulted in a bullish Elliott wave extension, indicating downside moves should be considered as countertrend, providing throwbacks hold above the USD 17,728 support. However, there are some confusions in the technical at these levels, as a negative RSI divergence is being countered by a positive reversal pattern. It could be that we will see one more upside test within this phase of the cycle, triggering a second divergence and the start of the corrective phase.

Cal 27

Technical outlook: Downside moves considered as countertrend

The broader trend remains bullish with downside moves considered as countertrend, providing throwbacks hold above the USD 14,055 support. A negative RSI divergence is warning that buy-side momentum could slow down, this will need to be monitored. Throwbacks below USD 14,875 will signal that the futures have entered a corrective phase.

Supramax Index



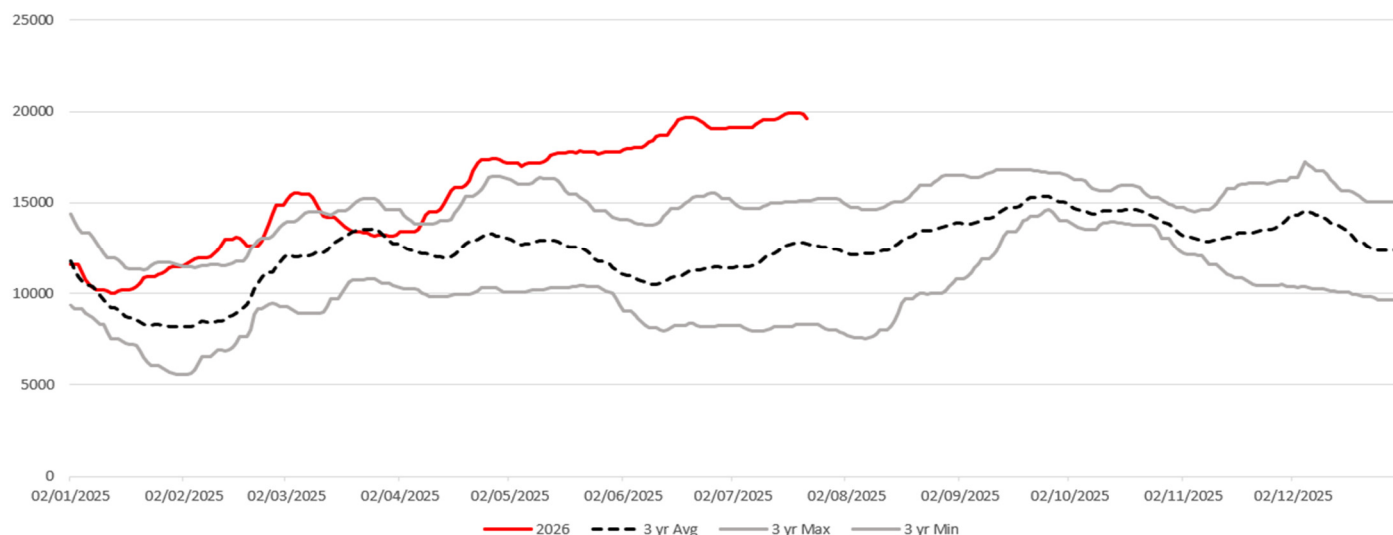
	Support	Resistance	Current Price	Bull	Bear
S1	18,396	R1	19,931		
S2	18,197	R2	21,214		
S3	17,339	R3	24,240		

Synopsis - Intraday

Source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is below 50 (48)
- Stochastic is above 50
- Technical outlook previously: Cautious Bull
- We noted previously that price remained in divergence with the RSI, if the RSI makes a new low it will create a failed momentum swing high warning price could see further downside. However, as stated last week, we would need to see bearish confirmation from 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.
- The index sold lower after the RSI created a failed swing high alongside a break in fractal support. Heaving sold to a low of USD 18,197 we are now seeing light bid support. We are between the 8-21 period EMA's with the RSI below 50.
- Momentum based on price (MBP) is aligned to the buy side, a close below USD 18,480 would mean it is aligned to the sell side. 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: Inflection point
- Having made a lower low the index is now testing its trend support line at USD 18,396. A close and hold below the line would signal further technical weakness, warning support levels could come under pressure. Conversely, if we hold the support line and reclaim the 50-period MA at USD 19,038, it would signal an increase in buy side pressure. The broader trend is still considered as bullish at this point; however, near-term price action is neutral as the market needs to signal its directional bias from here.

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



Supramax Sep 26



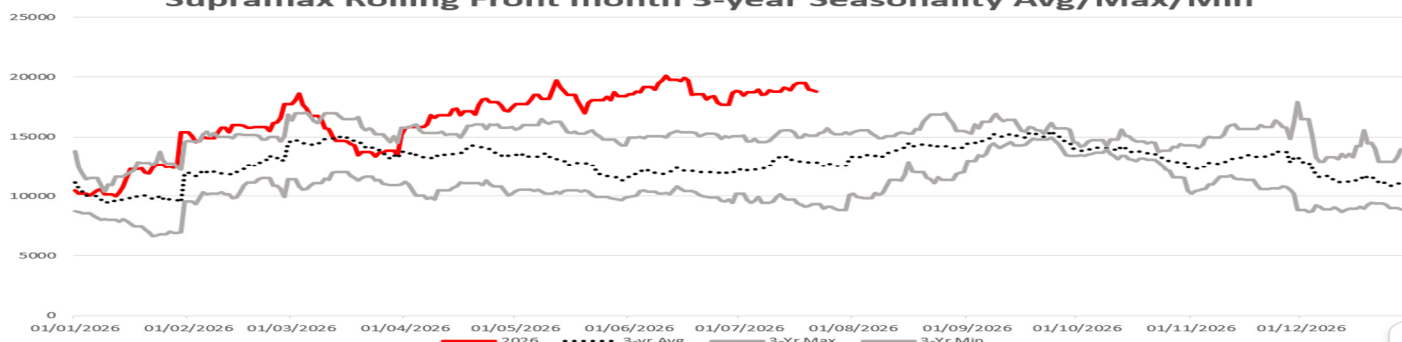
Support	Resistance	Current Price	Bull	Bear
S1	R1	19,925	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Synopsis - Intraday

Source Bloomberg

- Price between the 8-21 period EMA's
- RSI is above 50 (54)
- Stochastic is overbought
- Technical outlook previously: Caution on higher moves
- Technically we are neutral on the last report 3 weeks ago, as the probability of the futures trading to a new low had started to decrease. However, we remained cautious on upside moves as the RSI had rejected the 60 level, while price had broken its trend support line, implying price action was weakening. We noted that we needed to see a close and hold below the 50-period MA at USD 18,737, as this would 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.
- The futures initially weakened resulting in price trading to a low of USD 18,050; however, the gap higher into the September contract put the futures back above the USD 19,349 level, resulting in price trading to new highs. A technical pullback means price is back between the 8-21 period EMA's supported by the RSI holding above 50.
- Downside moves that hold at or above USD 18,925 will support a bull argument, below this level the technical will re-enter bearish territory.
- Technical outlook: Neutral
- There is a reason for neutrality on the technical this week. Although the broader trend is currently bullish, but the Elliott wave cycle lacks clarity. If we look at recent price action we can see that the pullback has created a positive reversal pattern with the RSI, warning resistance levels remain vulnerable. A bullish Harami pattern is also forming, implying underlying support in the market. Countering this, we have a 3 black soldiers candle pattern (red soldiers in this case). The three consecutive down days signal a change in market psychology, indicating sell side pressure is increasing. If we see a daily close below 19,650 it will warn of further deterioration within the trend.

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



Supramax Q4 26



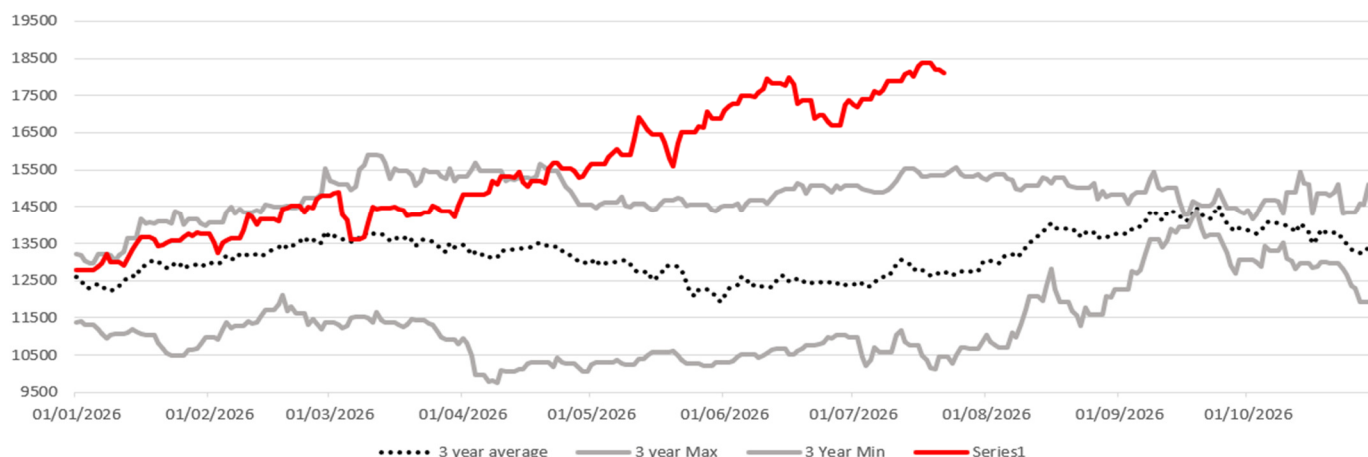
Support		Resistance		Current Price	Bull	Bear
S1	18,716	R1	20,075	19,850	RSI above 50	Stochastic overbought
S2	18,297	R2	20,455			
S3	17,728	R3	21,525			

Synopsis - above

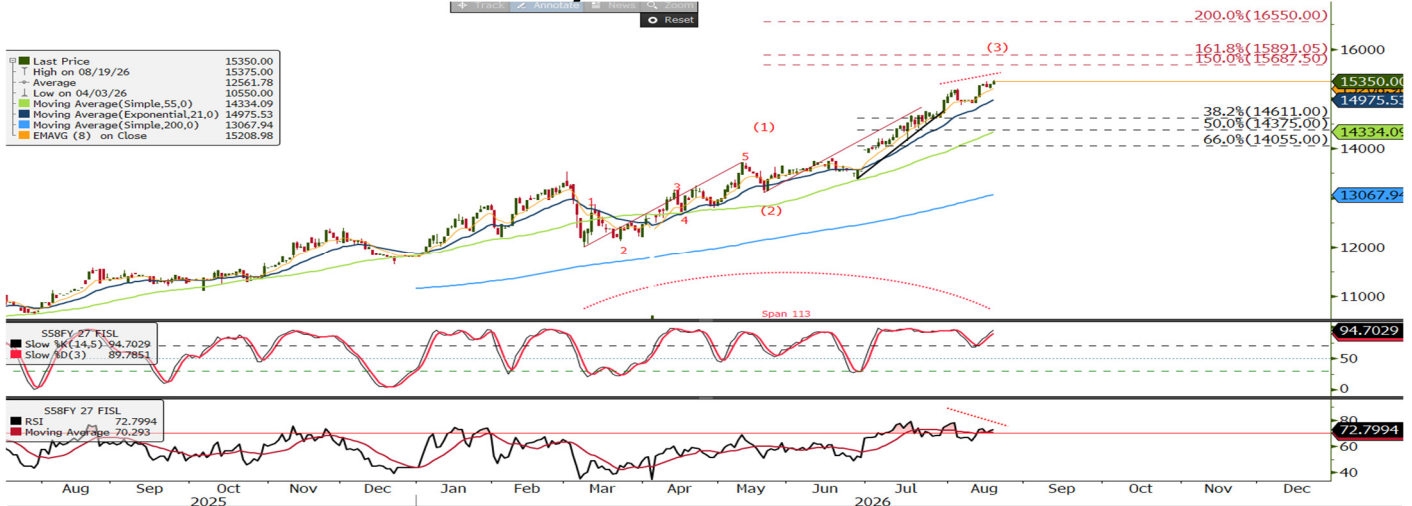
Source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is above 50 (69)
- Stochastic is overbought
- Technical Outlook Previously: cautious bull
- We noted previously that the futures were starting to sell lower on the negative divergence with the RSI. Price had broken trend support at USD 18,568, warning sell side pressure was increasing. Throwbacks that held at or above USD 17,216 would support a bull argument; however, a move below USD 17,216 would reduce the probability of the futures trading to a new high. We maintained a cautious approach to higher moves as price is likely to create further divergences above the USD 18,475 fractal high.
- A shallow pullback was followed by upside continuation and a divergence failure. We remain above all key moving averages with the RSI above 50.
- Downside moves that hold at or above USD 17,728 will support a bull argument, below this level the technical will have a neutral bias.
- Technical Outlook: Downside moves considered as countertrend.
- The move to a new high has resulted in a bullish Elliott wave extension, indicating downside moves should be considered as countertrend, providing throwbacks hold above the USD 17,728 support. However, there are some confusions in the technical at these levels, as a negative RSI divergence is being countered by a positive reversal pattern. It could be that we will see one more upside test within this phase of the cycle, triggering a second divergence and the start of the corrective phase.

Supramax Q4 3-Year Seasonality with Max/Min values



Supramax Cal 27



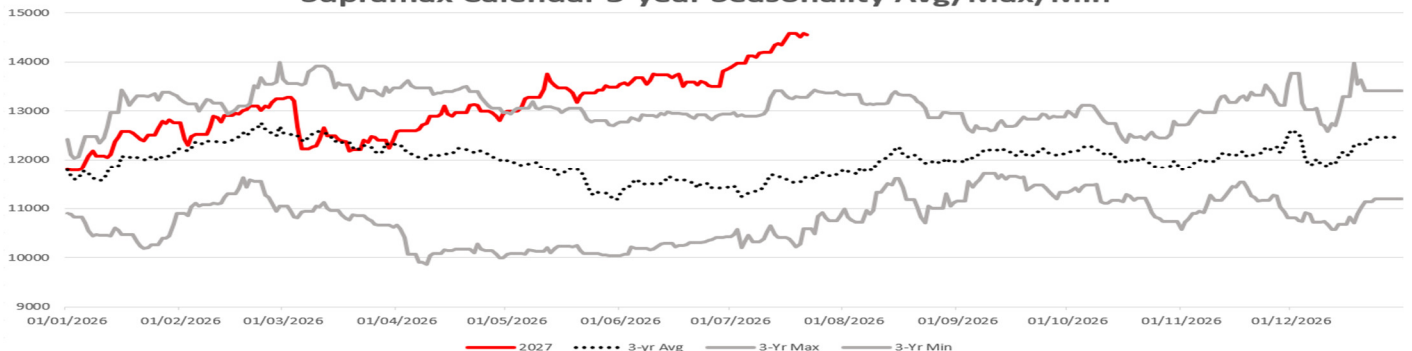
	Support	Resistance	Current Price	Bull	Bear
S1	14,611	R1	15,687	RSI above 50	Stochastic overbought
S2	14,375	R2	15,891		
S3	14,055	R3	16,550		

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (72)
- Stochastic is overbought
- Technical outlook previously:
- Technically unchanged previously as downside moves are still considered as countertrend. We were seeing a failed swing high on the RSI, warning momentum could be weakening. We noted that if we closed 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 would support a bull argument, below this level the probability of price trading to a new high will begin to decrease.
- The futures held above the support line resulting in price trading to new highs. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 14,055 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Downside moves considered as countertrend
- The broader trend remains bullish with downside moves considered as countertrend, providing throwbacks hold above the USD 14,055 support. A negative RSI divergence is warning that buyside momentum could slow down, this will need to be monitored. Throwbacks below USD 14,875 will signal that the futures have entered a corrective phase.

Supramax Calendar 3-year Seasonality Avg/Max/Min



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