FIS

Supramax Technical Report

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Index

Technical outlook: Inflection point

Unchanged on the technical this week as the index continues to test 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 19,006, it would signal an increase in buyside pressure. The broader trend is still considered as bullish; however, near-term price action remains neutral as the market needs to signal its directional bias from here.

Sep 26

Technical outlook: Neutral

We already know that the intraday futures are in a symmetrical triangle, this pattern has a neutral bias. The positive reversal pattern implies that momentum is supported; however, this is countered by the 3 black soldiers candle pattern lower, again indicating neutrality. The intraday price does have a 5 point touch on the symmetrical that warns the break could be to the upside; however, ultimately, direction bias will come from a confirmation close outside of the symmetrical. As highlighted last week, a daily close below USD 19,650 would warn of further deterioration within the trend.

Q4 26

Technical Outlook: Negative divergence

The broader trend remain bullish; however, price has created a negative RSI divergence due to the move higher on the positive reversal pattern. Throwbacks that hold at or above USD 17,864 will support a bull argument, below this level the probability of price trading to a new high will start to decrease. The divergence is a condition that warns buyside momentum could slow down, it is not a sell signal and will need confirmation from bearish price action. Downside moves below the intraday fractal support at USD 19,825 would warn that the futures are entering a corrective phase.

Cal 27

Technical outlook: Downside moves considered as countertrend

We remain in a bullish trending environment with price trading at new highs. Like last week, the new high has resulted in another negative RSI divergence. This is not a sell signal, it is a warning that buyside momentum could slowdown. Downside moves below the USD 15,500 level would breach the intraday fractal support, suggesting price has entered a corrective phase. Throwbacks that hold at or above USD 14,293 will support a bull argument, below this level the probability of price trading to a new high will begin to decrease. The divergence suggests caution on higher moves, but we are in a trending environment, meaning a fractal break is needed to signal a corrective phase.

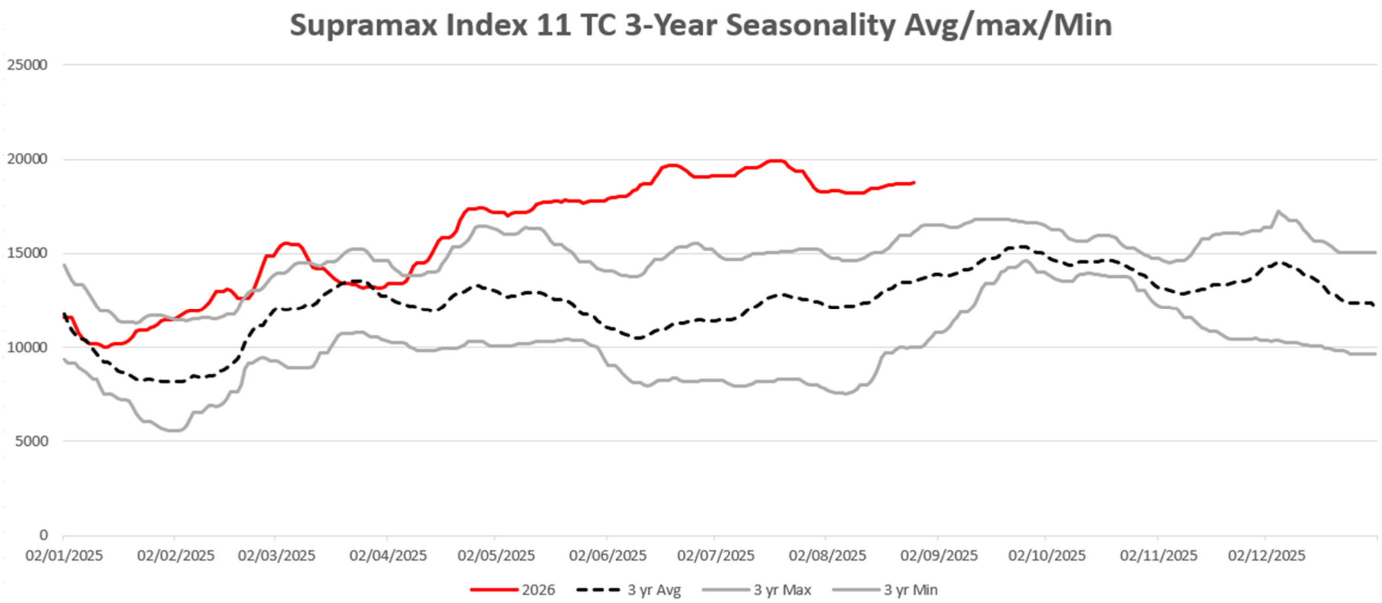
Supramax Index

Support		Resistance		Current Price	Bull	Bear
S1	18,730	R1	19,931	18,750	RSI above 50	Stochastic overbought
S2	18,197	R2	21,214			
S3	17,339	R3	24,240			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (54)
- Stochastic is overbought
- Technical outlook previously: Inflection point
- Having made a lower low previously the index was 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 held the support line and reclaim the 50-period MA at USD 19,038, it would signal an increase in buyside pressure. The broader trend was still considered as bullish at this point; however, near-term price action was neutral as the market needed to signal its directional bias.
- The index continues to trade on the trend support line at USD 18,730. Price is above the 8-21 period EMA's with the RSI above 50.
- Momentum based on price (MBP) is aligned to the buyside, 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
- Unchanged on the technical this week as the index continues to test 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 19,006, it would signal an increase in buyside pressure. The broader trend is still considered as bullish; however, near-term price action remains neutral as the market needs to signal its directional bias from here.



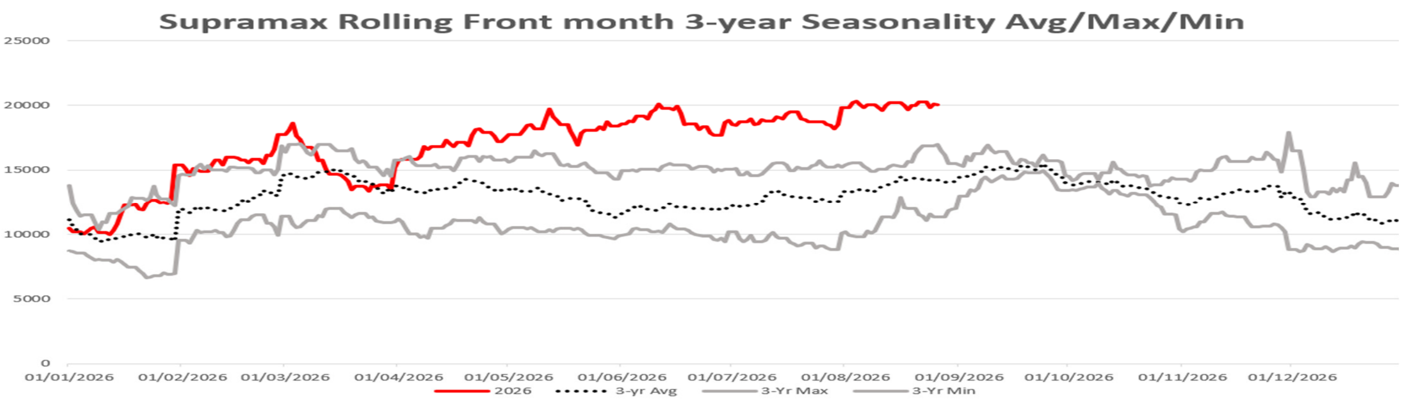
Supramax Sep 26

Support		Resistance		Current Price	Bull	Bear
S1	19,641	R1	20,536	20,050	RSI above 50	
S2	19,337	R2	20,841			
S3	18,925	R3	21,146			

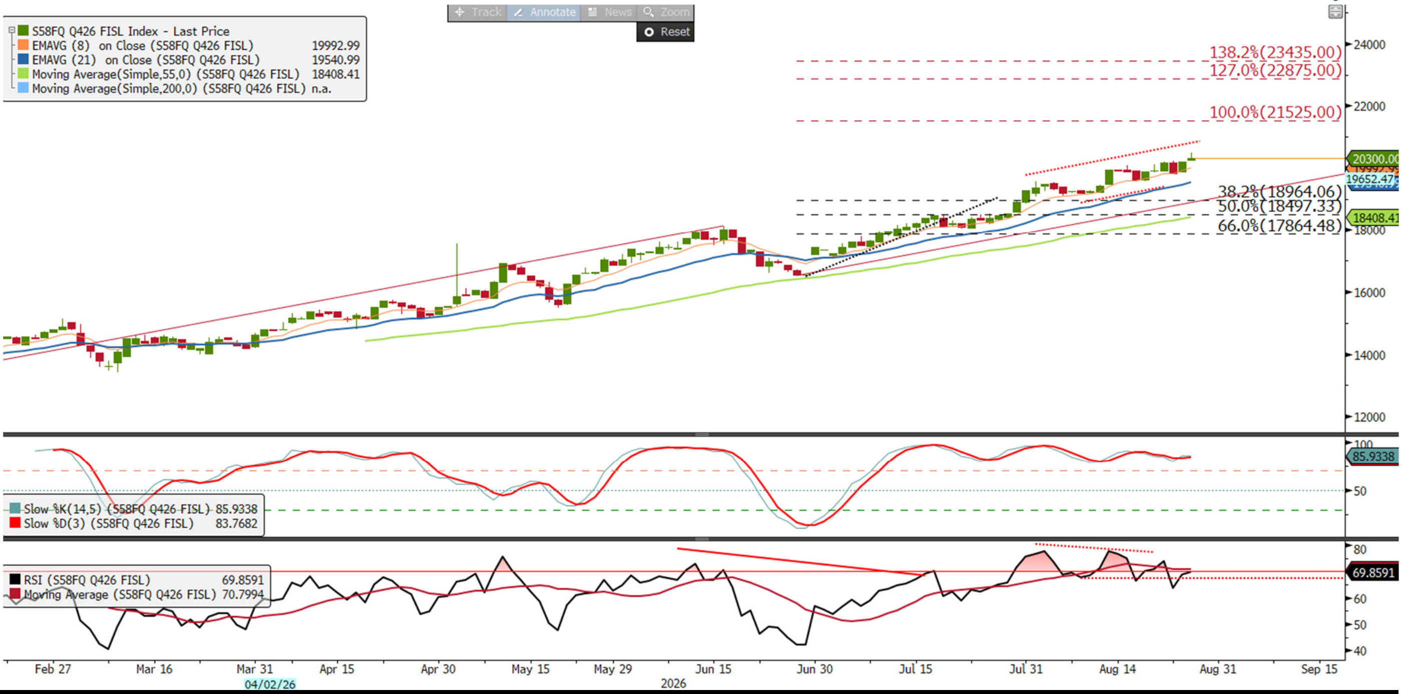
Synopsis - Intraday

Source Bloomberg

- Price above the 8-21 period EMA's
- RSI is above 50 (55)
- Stochastic is at 50
- Technical outlook previously: Neutral
- We noted that there was a reason for neutrality on the technical last week. Although the broader trend was bullish, the Elliott wave cycle lacked clarity. When we looked at recent price action we could see that the pullback had created a positive reversal pattern with the RSI, warning resistance levels remained vulnerable. A bullish Harami pattern was also forming, implying underlying support in the market. Countering this, we had a 3 black soldiers candle pattern (red soldiers in this case). The three consecutive down days signaled a change in market psychology, indicating sell side pressure was increasing. If we saw a daily close below 19,650 it would warn of further deterioration within the trend.
- The futures traded at a high of USD 20,300, price remains supported just above last weeks levels. We are above all key moving averages supported by the RSI 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
- We already know that the intraday futures are in a symmetrical triangle, this pattern has a neutral bias. The positive reversal pattern implies that momentum is supported; however, this is countered by the 3 black soldiers candle pattern lower, again indicating neutrality. The intraday price does have a 5 point touch on the symmetrical that warns the break could be to the upside; however, ultimately, direction bias will come from a confirmation close outside of the symmetrical. As highlighted last week, a daily close below USD 19,650 would warn of further deterioration within the trend.



Supramax Q4 26

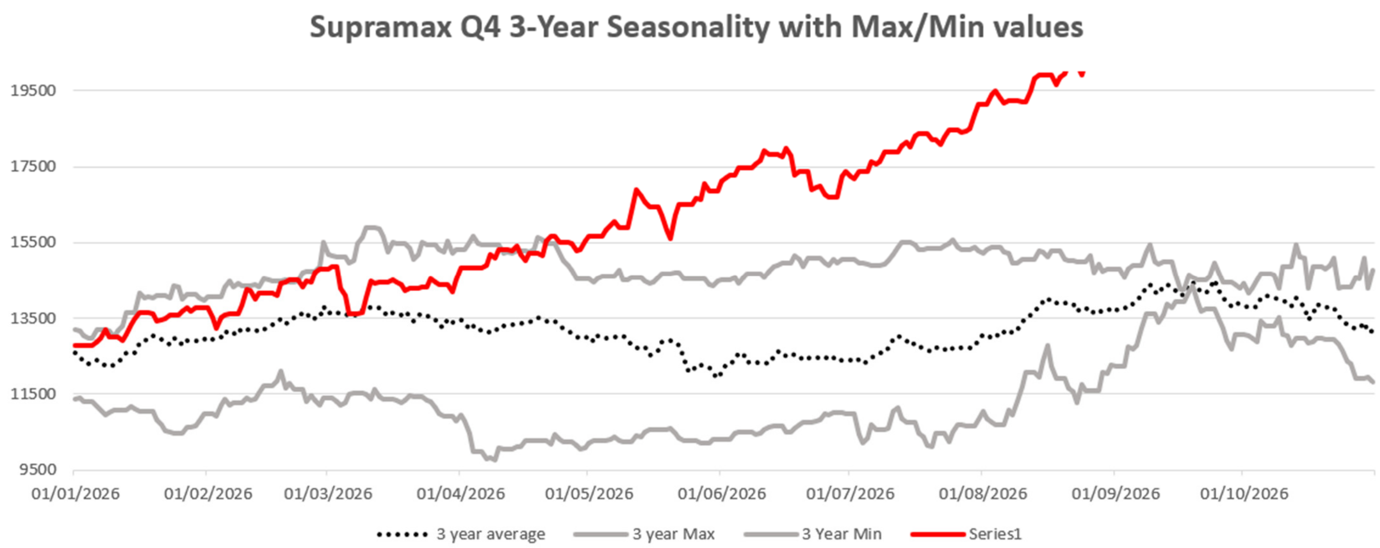


Support		Resistance		Current Price	Bull	Bear
S1	18,964	R1	21,525	20,300	RSI above 50	Stochastic overbought
S2	18,497	R2	22,875			
S3	17,864	R3	23,435			

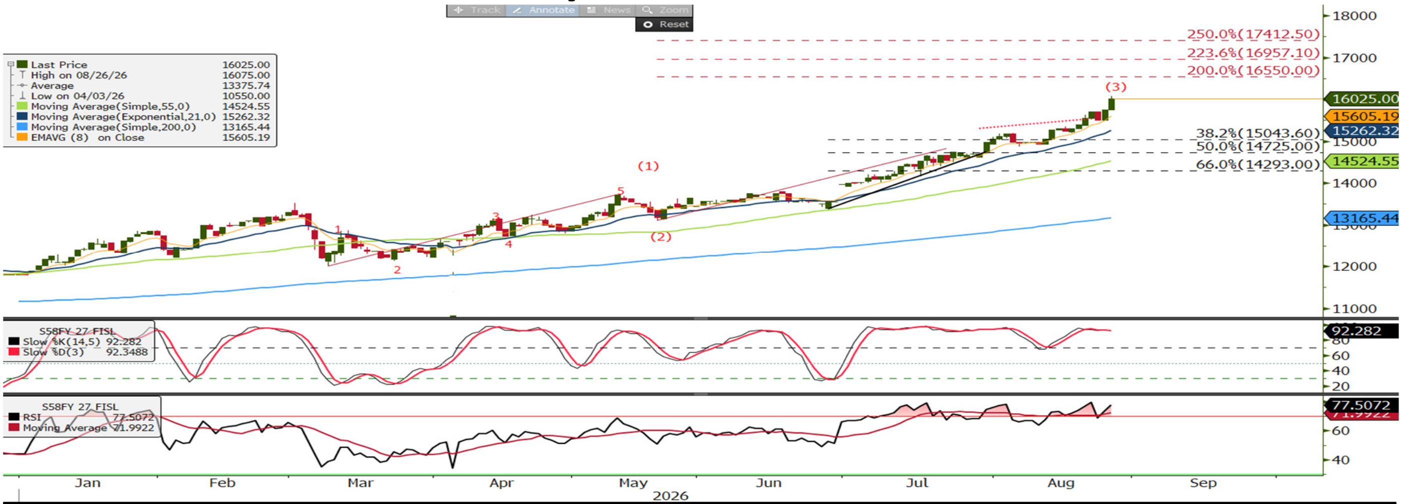
Synopsis - above

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (69)
- Stochastic is overbought
- Technical Outlook Previously: Downside moves considered as countertrend.
- The move to a new high last week had resulted in a bullish Elliott wave extension, indicating downside moves should be considered as countertrend, providing throwbacks held above the USD 17,728 support. However, there were some conflictions in the technical at those levels, as a negative RSI divergence was being countered by a positive reversal pattern. We noted that it could be that we would see one more upside test within this phase of the cycle, triggering a second divergence and the start of the corrective phase.
- A futures have traded at a new high resulting in another negative divergence forming. Price is above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 17,864 will support a bull argument, below this level the technical will have a neutral bias.
- Technical Outlook: Negative divergence
- The broader trend remain bullish; however, price has created a negative RSI divergence due to the move higher on the positive reversal pattern. Throwbacks that hold at or above USD 17,864 will support a bull argument, below this level the probability of price trading to a new high will start to decrease. The divergence is a condition that warns buyside momentum could slow down, it is not a sell signal and will need confirmation from bearish price action. Downside moves below the intraday fractal support at USD 19,825 would warn that the futures are entering a corrective phase.



Supramax Cal 27



Support		Resistance		Current Price	Bull	Bear
S1	15,043	R1	16,550	16,025	RSI above 50	Stochastic overbought
S2	14,725	R2	16,597			
S3	14,293	R3	17,412			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA’s
- RSI is above 50 (77)
- Stochastic is overbought
- Technical outlook previously: Downside moves considered as countertrend
- The broader trend remains bullish last week with downside moves considered as countertrend, providing throwbacks hold above the USD 14,055 support. A negative RSI divergence warned that buyside momentum could slow down, this needed to be monitored. Throwbacks below USD 14,875 would signal that the futures had entered a corrective phase.
- The futures continued to trade to new highs having failed to produce a pullback below USD 14,875. We remain above all key moving averages supported by the RSUI above 50.
- Downside moves that hold at or above USD 14,293 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Downside moves considered as countertrend
- We remain in a bullish trending environment with price trading at new highs. Like last week, the new high has resulted in another negative RSI divergence. This is not a sell signal, it is a warning that buyside momentum could slowdown. Downside moves below the USD 15,500 level would breach the intraday fractal support, suggesting price has entered a corrective phase. Throwbacks that hold at or above USD 14,293 will support a bull argument, below this level the probability of price trading to a new high will begin to decrease. The divergence suggests caution on higher moves, but we are in a trending environment, meaning a fractal break is needed to signal a corrective phase.