FIS

Supramax Technical Report

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Index

Technical outlook: Inflection point

Unchanged on the technical again this week as the index continues to trade around its trend support line at USD 18,396. If hold below the support line it would signal further technical weakness, warning support levels could come under pressure. Conversely, if we close back above the support line and reclaim the 50-period MA at USD 18,942, 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.

Oct 26

Technical outlook: Downside moves considered as countertrend

The move higher on the roll has been followed by bid support, resulting in both price and the RSI trading at new highs. The bullish momentum confirmation is supported by our intraday Elliott wave analysis, both suggest that downside moves should be considered as countertrend. We identify USD 20,765 as the key near-term support to follow, throwbacks that trade below this level would reduce the probability of price trading at new highs.

Q4 26

Technical Outlook: Downside moves considered as countertrend.

The upside move to new highs has been replicated by the RSI, meaning we have bullish momentum confirmation. The move higher also means we have seen a lower timeframe bullish Elliott wave extension, indicating downside moves should be considered as countertrend. A close below the low of the last dominant bull candle at USD 21,375 would signal sell side pressure was increasing, warning support levels could be tested. We identify USD 18,400 as a key level to follow, throwbacks that hold at or above this level would support our bullish Elliott wave analysis.

Cal 27

Technical outlook: Downside moves considered as countertrend

The RSI move to a new high signals bullish momentum confirmation, suggesting we have seen an Elliott wave extension, implying downside moves should be considered as countertrend. A close below the low of the last dominant bull candle at USD 16,100 would warn that price has entered a corrective phase. Key support is at USD 14,548, throwbacks that breach this level will reduce the probability of price trading at new highs.

Supramax Index

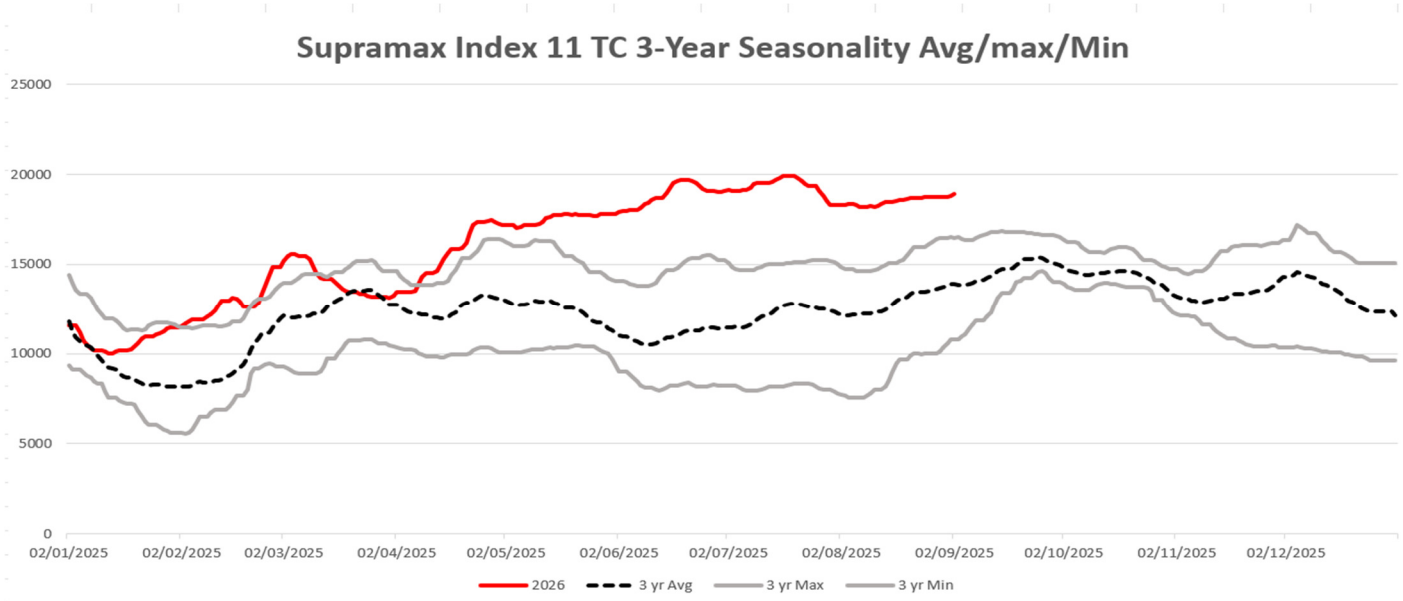


Support		Resistance		Current Price	Bull	Bear
S1	18,759	R1	19,931	18,915	RSI above 50	Stochastic overbought
S2	18,197	R2	21,214			
S3	17,339	R3	24,240			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (62)
- Stochastic is overbought
- Technical outlook previously: Inflection point
- Unchanged on the technical last 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 reclaimed the 50-period MA at USD 19,006, it would signal an increase in buyside pressure. The broader trend was still considered as bullish; however, near-term price action remained neutral as the market needs to signal its directional bias from here.
- The index continues to trade around the trend support line at USD 19,007. 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 18,669 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 again this week as the index continues to trade around its trend support line at USD 18,396. If hold below the support line it would signal further technical weakness, warning support levels could come under pressure. Conversely, if we close back above the support line and reclaim the 50-period MA at USD 18,942, 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 Oct 26

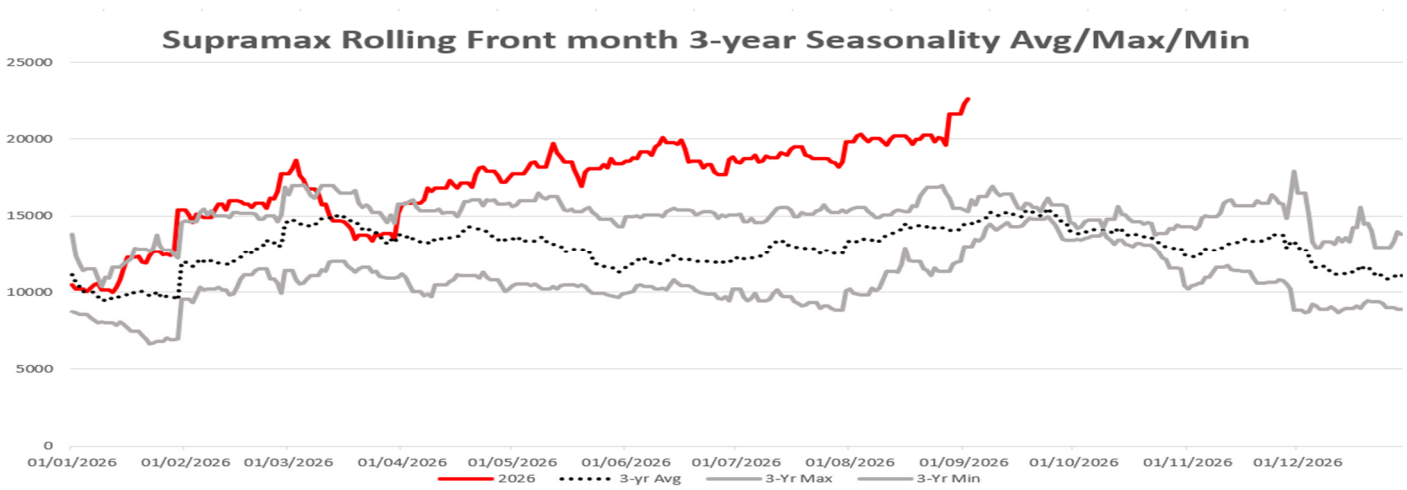


Support		Resistance		Current Price	Bull	Bear
S1	21,759	R1	23,728	22,625	RSI above 50	
S2	21,337	R2	24,714			
S3	20,765	R3	25,701			

Synopsis - Intraday

Source Bloomberg

- Price above the 8-21 period EMA's
- RSI is above 50 (73)
- Stochastic is above 50
- Technical outlook previously: Neutral
- The intraday futures were in a symmetrical triangle last week, this pattern had a neutral bias. The positive reversal pattern implied that momentum was supported; however, this was countered by the 3 black soldiers candle pattern lower, again indicating neutrality. The intraday price did have a 5 point touch on the symmetrical that warned the break could be to the upside; however, ultimately, direction bias would 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.
- The futures did produce an intraday downside close on the symmetrical triangle; however, the move failed to hold . A gap higher on the roll into the October contract has been followed by higher moves in both the September and October contracts.
- Downside moves that hold at or above USD 20,765 would support a bull argument, below this level the technical will re-enter bearish territory.
- Technical outlook: Downside moves considered as countertrend
- The move higher on the roll has been followed by bid support, resulting in both price and the RSI trading at new highs. The bullish momentum confirmation is supported by our intraday Elliott wave analysis, both suggest that downside moves should be considered as countertrend. We identify USD 20,765 as the key near-term support to follow, throwbacks that trade below this level would reduce the probability of price trading at new highs.



Supramax Q4 26

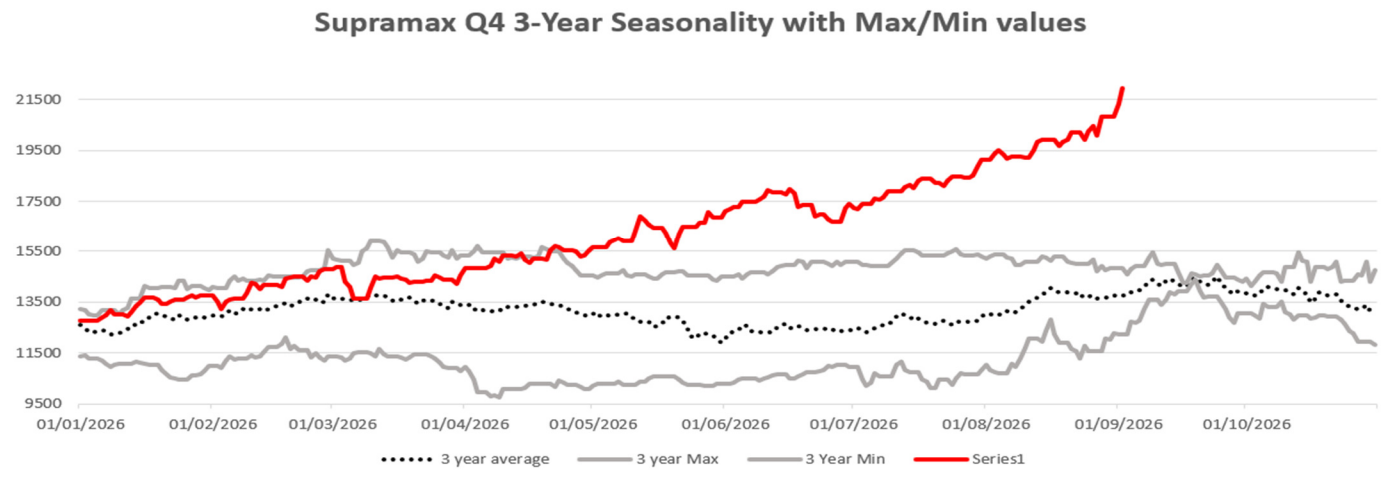


Support		Resistance		Current Price	Bull	Bear
S1	19,938	R1	22,875	21,875	RSI above 50	Stochastic overbought
S2	19,285	R2	23,435			
S3	18,400	R3	24,025			

Synopsis - above

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (78)
- Stochastic is overbought
- Technical Outlook Previously: Negative divergence
- We noted last week that the broader trend remained bullish; however, price had created a negative RSI divergence due to the move higher on the positive reversal pattern. Throwbacks that hold at or above USD 17,864 would support a bull argument, below this level the probability of price trading to a new high would start to decrease. The divergence was a condition that warned that buyside momentum could slow down, it was not a sell signal and needed confirmation from bearish price action. Downside moves below the intraday fractal support at USD 19,825 would warn that the futures were entering a corrective phase.
- A futures traded at a low of USD 20,000 the following session; however, this move lower resulted in another positive reversal pattern forming, as the RSI broke support while price held above the USD 19,825 level. Price has subsequently produced a strong move higher on the reversal pattern. We are above ell key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 18,400 will support a bull argument, below this level the technical will have a neutral bias.
- Technical Outlook: Downside moves considered as countertrend.
- The upside move to new highs has been replicated by the RSI, meaning we have bullish momentum confirmation. The move higher also means we have seen a lower timeframe bullish Elliott wave extension, indicating downside moves should be considered as countertrend. A close below the low of the last dominant bull candle at USD 21,375 would signal sell side pressure was increasing, warning support levels could be tested. We identify USD 18,400 as a key level to follow, throwbacks that hold at or above this level would support our bullish Elliott wave analysis.



Supramax Cal 27

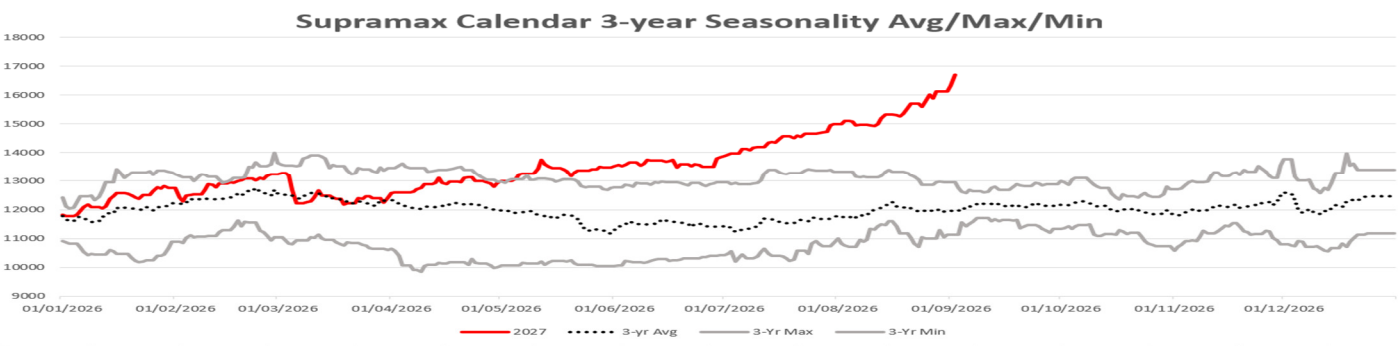


Support		Resistance		Current Price	Bull	Bear
S1	15,507	R1	16,957	16,700	RSI above 50	Stochastic overbought
S2	15,100	R2	17,412			
S3	14,548	R3	18,275			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (82)
- Stochastic is overbought
- Technical outlook previously: Downside moves considered as countertrend
- We remained in a bullish trending environment last week with price trading at new highs. As highlighted previously, the new high had resulted in another negative RSI divergence. This was not a sell signal, it warned 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 would 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.
- The futures failed to produce a fractal break below USD 15,500, resulting in price finding renewed bid support. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 14,548 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Downside moves considered as countertrend
- The RSI move to a new high signals bullish momentum confirmation, suggesting we have seen an Elliott wave extension, implying downside moves should be considered as countertrend. A close below the low of the last dominant bull candle at USD 16,100 would warn that price has entered a corrective phase. Key support is at USD 14,548, throwbacks that breach this level will reduce the probability of price trading at new highs.



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