FIS

Supramax Technical Report

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Index

Technical outlook: Supported

The index and the RSI continue to make new highs, meaning we continue to see bullish momentum confirmation, implying the USD 21,214 resistance remains vulnerable. A close below the weekly pivot level at USD 20,123 would imply that buyside momentum is slowing, while a close below the trend support line at USD 19,796 would suggest that sell side pressure was increasing, warning the USD 18,224 support could come under pressure. We identify USD 18,224 as a key support to follow, as throwbacks that breach this level would reduce the probability of price trading at a new high within this phase of the cycle.

Oct 26

Technical outlook: Upside rejection

The upside move is in the process of potentially rejecting the USD 22,300 resistance, warning that the polarity support zone between USD 20,594 and USD 20,250 could come back under pressure. For upside continuation price will need to trade above the USD 22,300 Fibonacci resistance, while downside moves would need to close and hold below the USD 20,250 support. The RSI has failed to breach the 60 level, implying momentum weakness, warning support could be tested in the near-term. The broader trend implies downisde moves should be considered countertrend; however, we have a neutral bias on the technical as at these levels it is hard to advocate a buy or sell.

Q4 26

Technical Outlook: Neutral

The upside move in the futures breached the USD 21,505 resistance, however, price has closed below the trend support line at USD 21,367, meaning we have conflicting signals. On the broader Elliott wave cycle, downside moves should be considered as countertrend; however, the conflicting signals mean that we have a near-term neutral bias. A close and hold back above the trend line will leave resistance levels vulnerable, while a move below USD 20,350 has the potential to create a positive reversal pattern. If we break to the downisde and the RSI makes a new low, the bearish momentum confirmation would suggest that the USD 19,575 fractal low could come under pressure.

Cal 27

Technical outlook: Negative divergence in play

The move to a new high means we have a negative RSI divergence. This is a condition, not a sell signal, warning that buyside momentum could slow down. Technical sell signals would be needed to confirm the divergence is being respected. Throwbacks below USD 16,150 would break fractal resistance, indicating we have entered a higher timeframe corrective phase, at this point, USD 14,383 becomes the key support to follow. Fibonacci projection levels suggest that we could trade as high as USD 18,452 within this phase of the cycle; however, while the divergence is in play, market bulls will need to closely monitor the divergence.

Supramax Index

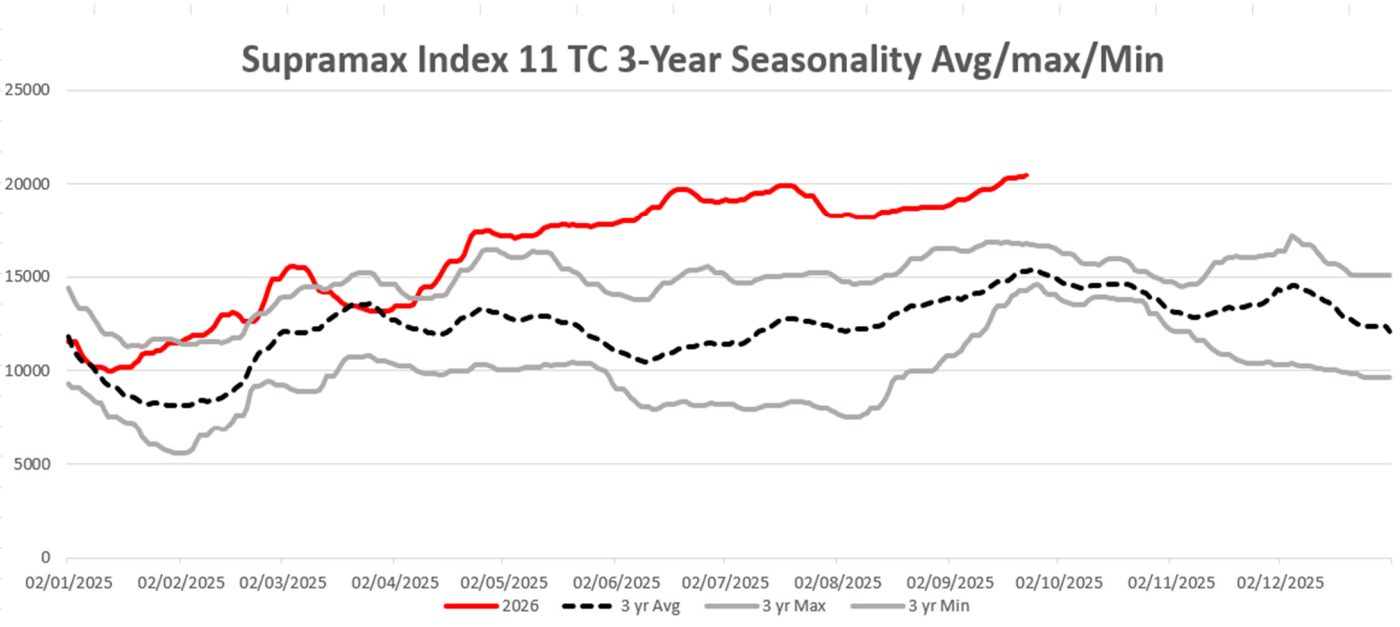


Support		Resistance		Current Price	Bull	Bear
S1	19,796	R1	21,214	20,437	RSI above 50	Stochastic overbought
S2	19,591	R2	24,240			
S3	18,976	R3	25,496			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (91)
- Stochastic is overbought
- Technical outlook previously: Supported
- We noted last week that both price and the RSI have made new highs, signaling bullish momentum confirmation, implying the market was supported at that point, warning the USD 21,214 resistance was vulnerable. Market buyers should act with caution on a close below the weekly pivot level at USD 19,540, as this would also put the futures below the trend support line at USD 19,572, signaling sell side pressure was increasing.
- The index has traded at new highs, we are above all key moving averages supported by the RSI above 50.
- Momentum based on price (MBP) is aligned to the buyside, a close below USD 20,297 would mean it is aligned to the sell side. Downside moves that hold at or above USD 18,976 would support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Supported
- The index and the RSI continue to make new highs, meaning we continue to see bullish momentum confirmation, implying the USD 21,214 resistance remains vulnerable. A close below the weekly pivot level at USD 20,123 would imply that buyside momentum is slowing, while a close below the trend support line at USD 19,796 would suggest that sell side pressure was increasing, warning the USD 18,224 support could come under pressure. We identify USD 18,224 as a key support to follow, as throwbacks that breach this level would reduce the probability of price trading at a new high within this phase of the cycle.



Supramax Oct 26

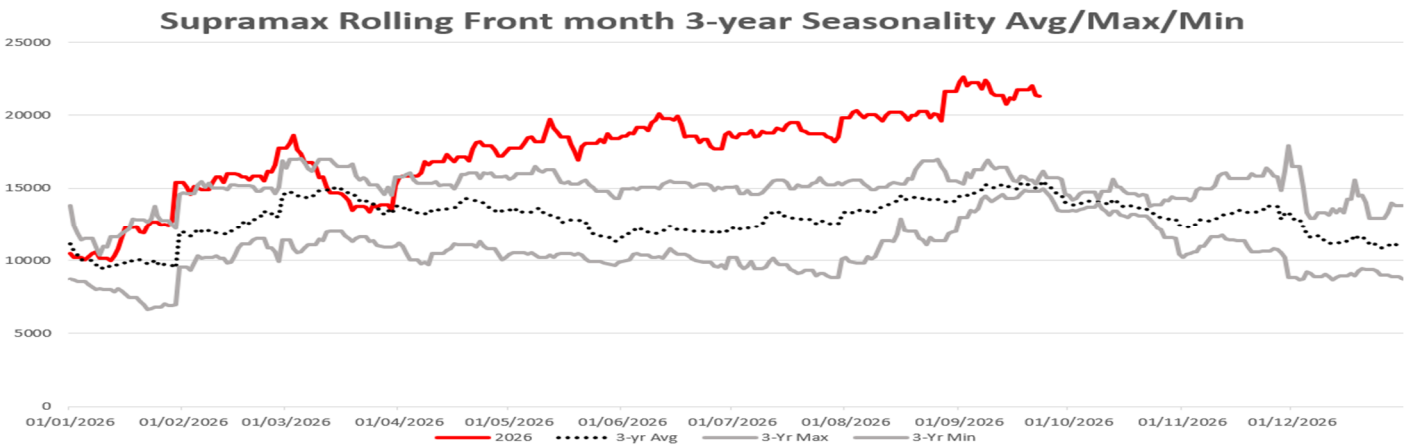


Support		Resistance		Current Price	Bull	Bear
S1	20,765	R1	22,300	21,325	RSI above 50	
S2	20,315	R2	23,125			
S3	20,250	R3	23,728			

Synopsis - Intraday

Source Bloomberg

- Price between the 8-21 period EMA's
- RSI is above 50 (52)
- Stochastic is below 50
- Technical outlook previously: caution on lower moves
- The futures were testing a previous resistance zone last week that was highlighted on the chart. Although we had seen a small breach in the USD 20,765 support, we had a note of caution on downside moves while above the support zone highlighted. If support held, it would signal a change in polarity, warning resistance could come back under pressure. Conversely, caution was warranted on a close and hold below USD 20,250 level, as it indicate that sell side pressure was increasing.
- The futures held the support zone resulting in price trading at a high of USD 22,075 before coming back under pressure on the 22/09/26. We are between the EMA support band with the RSI above 50.
- Upside moves that fail at or below USD 22,300 will leave the futures vulnerable to further tests to the downside, above this level the technical will re-enter bullish territory.
- Technical outlook: Upside rejection
- The upside move is in the process of potentially rejecting the USD 22,300 resistance, warning that the polarity support zone between USD 20,594 and USD 20,250 could come back under pressure. For upside continuation price will need to trade above the USD 22,300 Fibonacci resistance, while downside moves would need to close and hold below the USD 20,250 support. The RSI has failed to breach the 60 level, implying momentum weakness, warning support could be tested in the near-term. The broader trend implies downside moves should be considered countertrend; however, we have a neutral bias on the technical as at these levels it is hard to advocate a buy or sell.



Supramax Q4 26

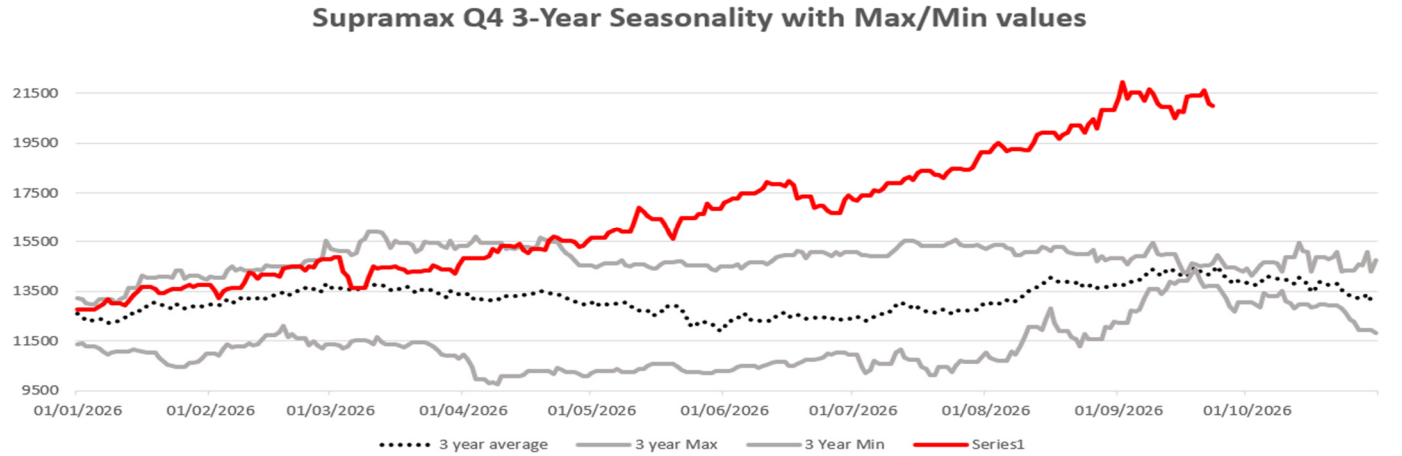


Support		Resistance		Current Price	Bull	Bear
S1	20,417	R1	21,367	21,000	RSI above 50	
S2	20,105	R2	21,505			
S3	19,575	R3	22,100			

Synopsis - above

Source Bloomberg

- Price is between the 8-21 period EMA's
- RSI is above 50 (54)
- Stochastic is above 50
- Technical Outlook Previously: Positive reversal pattern
- The futures had closed below the trend support line at USD 20,990 previously, resulting in a minor breach in the USD 20,417 support. However, the positive reversal pattern remains in play above USD 20,000, meaning we maintained a note of caution on lower moves at these levels, as the pattern warned of momentum support. If the futures reclaim the trend resistance line, then resistance levels would become vulnerable. Conversely, throwbacks below USD 20,000 will result in bearish momentum confirmation, signaling sell side pressure is increasing.
- The futures reclaimed the trend resistance line resulting in price trading at a high of USD 21,700; however, the move has failed to hold, resulting in the futures closing back below the support line. We are between the 8-21 period EMA's with the RSI above 50, intraday price and momentum are aligned to the buyside.
- Downside moves that hold at or above USD 20,417 would support a bull argument, below this level the technical would have a neutral bias.
- Technical Outlook: Neutral
- The upside move in the futures breached the USD 21,505 resistance, however, price has closed below the trend support line at USD 21,367, meaning we have conflicting signals. On the broader Elliott wave cycle, downside moves should be considered as counter-trend; however, the conflicting signals mean that we have a near-term neutral bias. A close and hold back above the trend line will leave resistance levels vulnerable, while a move below USD 20,350 has the potential to create a positive reversal pattern. If we break to the downisde and the RSI makes a new low, the bearish momentum confirmation would suggest that the USD 19,575 fractal low could come under pressure.



Supramax Cal 27

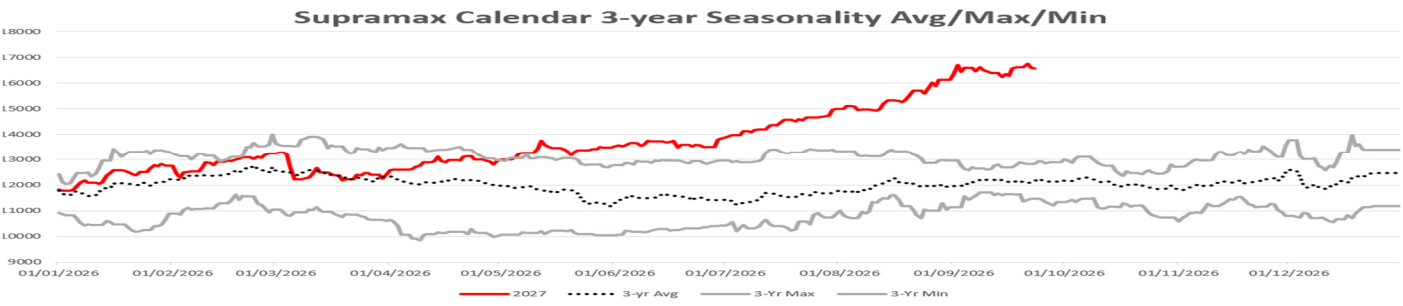


Support		Resistance		Current Price	Bull	Bear
S1	16,150	R1	17,572	16,575	RSI above 50	
S2	15,432	R2	18,012			
S3	14,987	R3	18,452			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8—21 period EMA's
- RSI is above 50 (66)
- Stochastic is above 50
- Technical outlook previously: Downside moves considered as countertrend
- Downside moves considered as countertrend
- Unchanged on the technical again last week. Due to bullish Elliott wave extension highlighted previously we maintained our view that down-side 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 had entered a corrective phase. Key near-term support is at USD 15,538, throwbacks that breached this level would suggest we were entering a higher timeframe corrective phase; at that point, USD 14,535 would become the next support to monitor. With the RSI making new lows while price is not, we had a positive reversal pattern in play that suggested caution on lower moves.
- The futures have traded at a new high, we are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 15,383 would support a bull argument, below this level the technical would suggest that the futures are entering a higher timeframe corrective phase.
- Technical outlook: Negative divergence in play
- The move to a new high means we have a negative RSI divergence. This is a condition, not a sell signal, warning that buyside momentum could slow down. Technical sell signals would be needed to confirm the divergence is being respected. Throwbacks below USD 16,150 would break fractal resistance, indicating we have entered a higher timeframe corrective phase, at this point, USD 14,383 becomes the key support to follow. Fibonacci projection levels suggest that we could trade as high as USD 18,452 within this phase of the cycle; however, while the divergence is in play, market bulls will need to closely monitor the divergence.



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