FIS

Supramax Technical Report

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Index

Technical outlook: RSI resistance

Having traded above the USD 21,214 resistance the RSI continues to have a very minor divergence in pay, we also note that the RSI is testing historical resistance, meaning we are potentially becoming overextended to the upside. The momentum overextension needs to be monitored, it is not a sell side. If we reject the resistance band and close below the weekly pivot level at USD 20,792, it will warn that buy-side pressure is starting to slow. However, we will need to see a close and hold below the trend support line at USD 20,589 to signal an increase in sell side pressure.

Nov 26

Technical outlook: Positive RSI divergence

The futures have traded below the USD 19,525 fractal low, signaling a complex corrective phase, warning upside moves should be considered as countertrend. We identify USD 21,875 as a key resistance to follow; if breached, then the probability of price trading at a new low would start to decrease. If rejected, then the initial 5-wave move lower has a higher probability of being wave A of an A, B, C corrective pattern. The new low does mean that the RSI is now divergent with price, this is a condition that warns that sell side momentum could slowdown; however, confirmation from bullish price action is needed to signal that the divergence is being respected. If the divergence fails, then the bearish momentum confirmation would leave the USD 18,225 support vulnerable.

Q1 27

Technical Outlook: Upside rejection

The upside rejection last week indicates we were not looking at a flat correction. The futures are testing the 55 period simple MA at USD 15,631 while the RSI is testing the 40 level. If we close and hold below the trend support line with the RSI below 40, then it will warn that we could see further deterioration in the technical, meaning Fibonacci support levels could come under pressure. Caution is warranted if we fail to hold below the 55-period MA with the RSI holding or reclaiming the 40 level.

Cal 27

Technical outlook: Sell side pressure increasing

The rejection of the USD 16,450 resistance indicates we are not looking at a flat correction, while the RSI rejection below 60 suggests that sell side pressure is increasing, warning the USD 15,625 fractal low should in theory be tested and broken. USD 16,450 remains the key resistance to follow, upside moves that fail at or below this level will warn that the corrective phase has the potential to become more complex.

Supramax Index

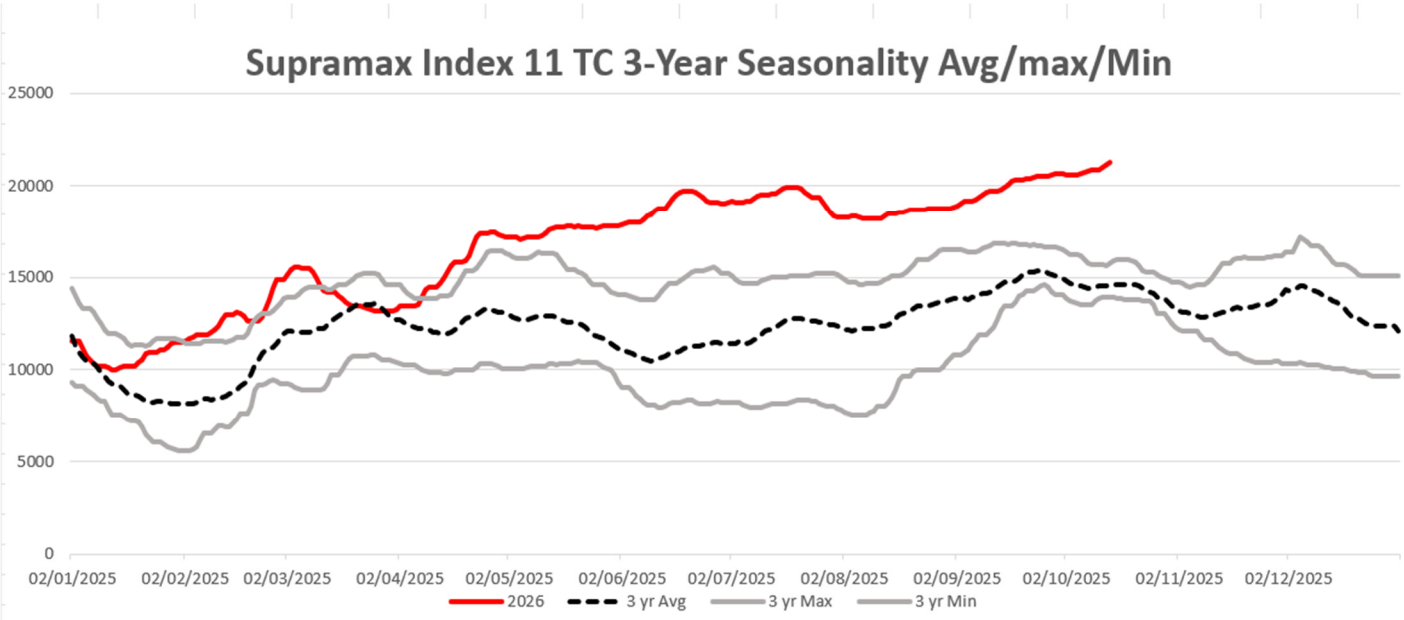


Support		Resistance		Current Price	Bull	Bear
S1	20,589	R1	24,240	21,293	RSI above 50	Stochastic overbought
S2	20,120	R2	25,496			
S3	19,267	R3	26,819			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (92)
- Stochastic is overbought
- Technical outlook previously: Minor divergence
- The upside move to a new high last week had created a minor RSI divergence, while the RSI remained below its resistance zone highlighted previously, meaning upside moves need to be monitored closely. Market buyers should act with caution on a close below the weekly pivot level at USD 20,616, as it would signal an increase in sell side pressure. Although divergent with the RSI at resistance, Fibonacci projection levels did warn that we could trade above USD 21,214 before correcting.
- The index has continued to move higher with price now above the 100% Fibonacci resistance at USD 21,214. 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 20,945 would mean it is aligned to the sell side. Downside moves that hold at or above USD 19,267 would support a bull argument, below this level the technical would have a neutral bias.
- Technical outlook: RSI resistance
- Having traded above the USD 21,214 resistance the RSI continues to have a very minor divergence in pay, we also note that the RSI is testing historical resistance, meaning we are potentially becoming overextended to the upside. The momentum overextension needs to be monitored, it is not a sell side. If we reject the resistance band and close below the weekly pivot level at USD 20,792, it will warn that buy-side pressure is starting to slow. However, we will need to see a close and hold below the trend support line at USD 20,589 to signal an increase in sell side pressure.



Supramax Nov 26

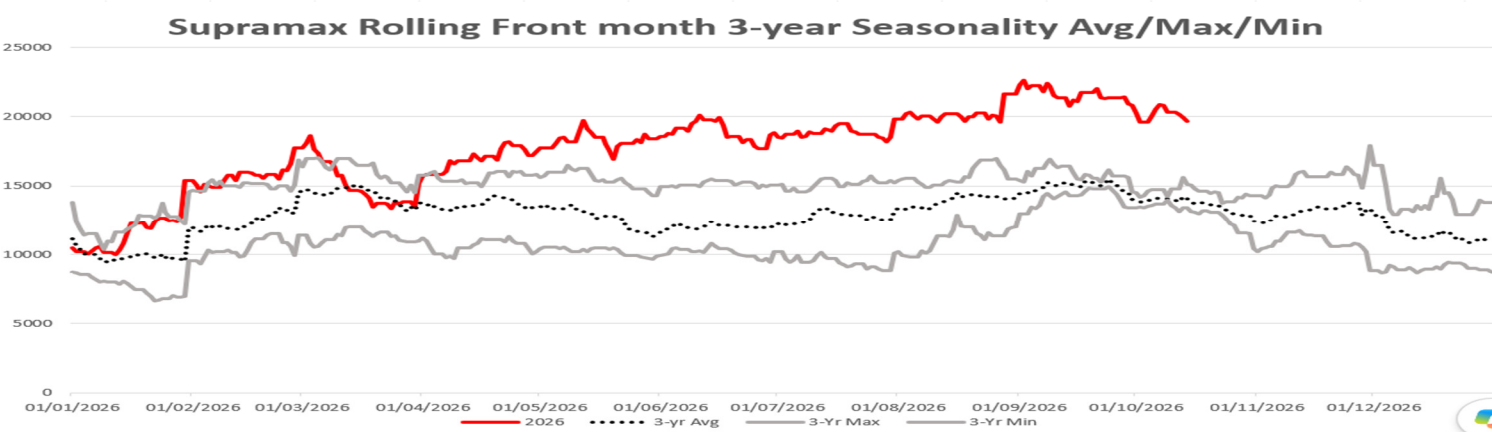


Support		Resistance		Current Price	Bull	Bear
S1	19,250	R1	20,853	19,450		RSI below 50
S2	18,825	R2	21,287			
S3	18,220	R3	21,875			

Synopsis - Intraday

Source Bloomberg

- Price below the 8-21 period EMA's
- RSI is below 50 (36)
- Stochastic is below 50
- Technical outlook previously: RSI breaking trend resistance
- The downside move had failed to hold below the polarity support last week with the RSI breaking its trend resistance line, suggesting momentum support was increasing, warning resistance levels could be tested. We identify USD 21,901 as a key level to monitor, pullbacks that rejected this level would warn of a more of a complex corrective phase. Conversely, above this level will leave the USD 23,125 fractal high vulnerable. We have a 3-wave pattern lower that had the two bear waves at equal lengths, suggesting the corrective phase had potentially completed.
- The futures rejected the Fibonacci resistance zone last week resulting in price selling lower. We are below all key moving averages supported by the RSI below 50.
- Upside moves that fail at or below USD 21,901 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technical outlook: Positive RSI divergence
- The futures have traded below the USD 19,525 fractal low, signaling a complex corrective phase, warning upside moves should be considered as countertrend. We identify USD 21,875 as a key resistance to follow; if breached, then the probability of price trading at a new low would start to decrease. If rejected, then the initial 5-wave move lower has a higher probability of being wave A of an A, B, C corrective pattern. The new low does mean that the RSI is now divergent with price, this is a condition that warns that sell side momentum could slowdown; however, confirmation from bullish price action is needed to signal that the divergence is being respected. If the divergence fails, then the bearish momentum confirmation would leave the USD 18,225 support vulnerable.



Supramax Q1 27

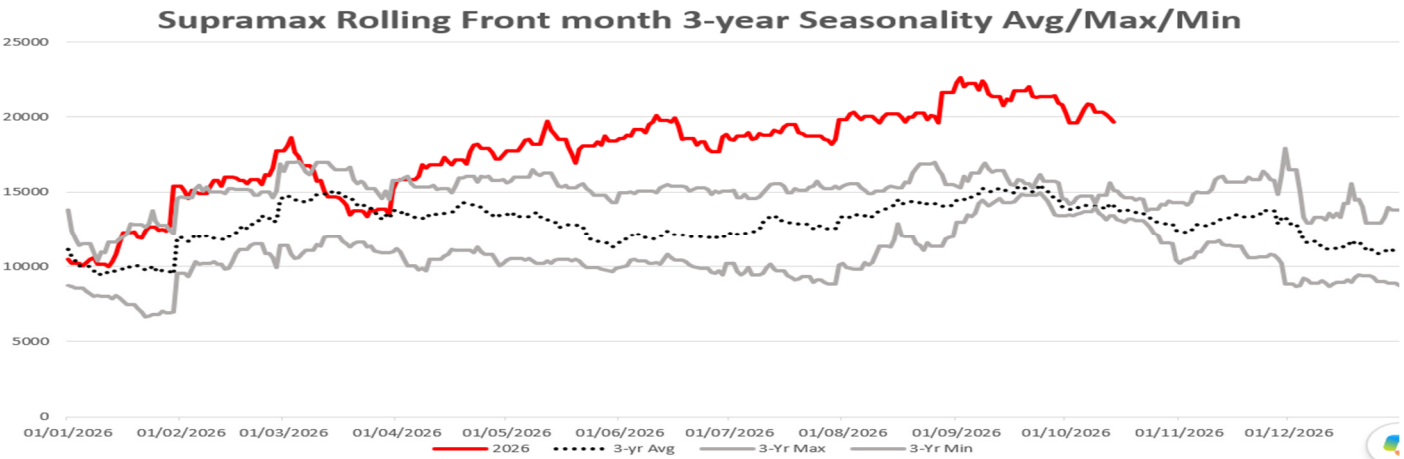


Support		Resistance		Current Price	Bull	Bear
S1	15,291	R1	16,474	15,700		RSI below 50
S2	14,787	R2	16,925			
S3	14,103	R3	17,233			

Synopsis - above

Source Bloomberg

- Price is below the 8-21 period EMA's
- RSI is below 50 (41)
- Stochastic is oversold
- Technical Outlook Previously: Inflection point
- The futures were testing key resistance at USD 16,474 last week, while the RSI was testing its trend resistance line, indicating price is at an inflection point. Although we only have the one wave lower, both the rolling front and the Q4 were showing corrective 3-wave patterns; this suggested that the marginal high at 16,925 is potentially a flat Elliott wave correction (meaning the high on the 22/09 was the wave B). The RSI was at trend resistance but it had held 40, we were seeing positive acceleration and positive velocity, warning both momentum and price could break their resistance. If they did, then probability of price trading at a new low would start to decrease, supporting a buyers argument.
- The futures traded above the USD 16,474 resistance but produced a bearish rejection candle; however, the RSI rejected its trend resistance line, resulting in price selling lower. We are below the 8-21 period EMA's supported by the RSI below 50.
- Downside moves that hold at or above USD 14,103 would support a bull argument, below this level the technical would have a neutral bias.
- Technical Outlook: Upside rejection
- The upside rejection last week indicates we were not looking at a flat correction. The futures are testing the 55 period simple MA at USD 15,631 while the RSI is testing the 40 level. If we close and hold below the trend support line with the RSI below 40, then it will warn that we could see further deterioration in the technical, meaning Fibonacci support levels could come under pressure. Caution is warranted if we fail to hold below the 55-period MA with the RSI holding or reclaiming the 40 level.



Supramax Cal 27

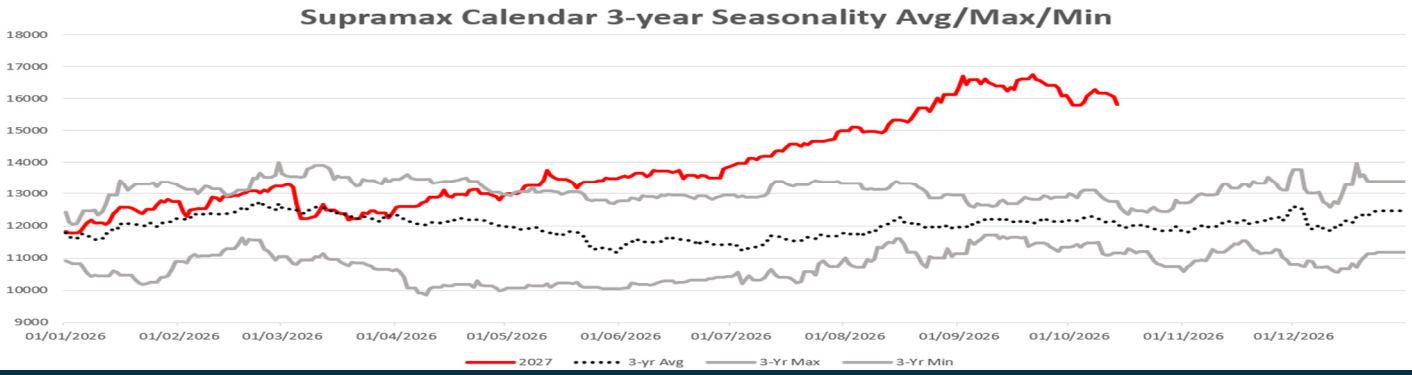


Support		Resistance		Current Price	Bull	Bear
S1	15,432	R1	16,450	15,750		RSI below 50
S2	14,987	R2	16,875			
S3	14,383	R3	17,212			

Synopsis - Intraday

Source Bloomberg

- Price is below the 8—21 period EMA's
- RSI is below 50 (41)
- Stochastic is below 50
- Technical outlook previously: Supported
- We noted last week that like the Q1 27, we were potentially looking at a flat correction, where the wave B had traded at a new high by USD 50, as we had the same scenario in the Cal 27. Last week we noted that we would expect a 3 wave corrective phase; however, based on the rolling front and the Q4, we were leaning towards a flat correction in the Cal 27, suggesting the USD 16,450 resistance could be tested and broken. If it was, then it would support a buyers argument, warning the USD 16,875 high could also fall.
- The futures rejected the USD 16,450 resistance resulting in price selling lower. We are below the 8-21 period EMA's with the RSI below 50.
- Downside moves that hold at or above USD 14,383 would support a bull argument, below this level the technical would suggest that the futures are entering a higher timeframe corrective phase.
- Technical outlook: Sell side pressure increasing
- The rejection of the USD 16,450 resistance indicates we are not looking at a flat correction, while the RSI rejection below 60 suggests that sell side pressure is increasing, warning the USD 15,625 fractal low should in theory be tested and broken. USD 16,450 remains the key resistance to follow, upside moves that fail at or below this level will warn that the corrective phase has the potential to become more complex.



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