

## FIS Technical - Panamax

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### Highlights:

The index remains bullish with the weekly stochastic now crossing the 50-level indicating momentum is strengthening on the weekly chart.

The April futures remain technically bullish above USD 13,490. Below this level would suggest we remain in a corrective phase. The rolling front month contract would suggest we are on wave 4 and based on Elliot wave theory we should have more upside in this trend.

The Q3 futures are bullish but in a corrective phase 4. Depending on the depth of the pullback this could be an extended wave 3.

The Cal 19 futures looks to be on wave 4 of wave 3 and not wave 4 of wave 5. Either way we remain in a corrective phase of a technically bullish trend.

## Panamax Index Daily



**Resistance – 13,740, 14,465, 17,315**

Source Bloomberg

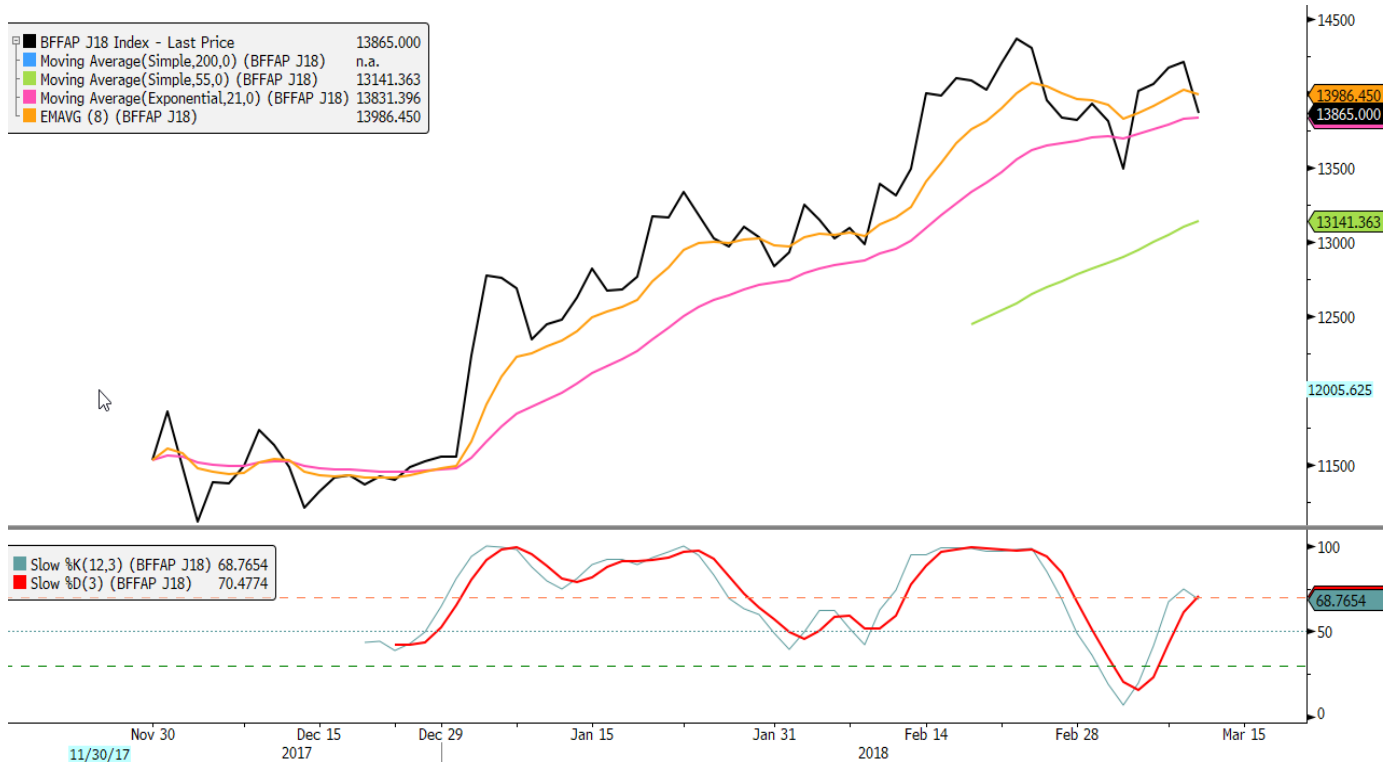
**Support – 11,958, 10,635, 9,925**

The Panamax index remains technically bullish on the weekly chart with prices remaining above all its moving averages. The stochastic on the daily chart remains at its upper limits whilst the weekly stochastic at 59 is now in bullish.

Downside moves that close below the USD 12,055 open of last weeks candle would be regarded as technically weak in terms of price action, however this would be above the moving averages and suggest a corrective wave in a bullish trend at this point. Further support can be found between USD 11,958 and USD 9,925.

Technical resistance is between USD 13,740 and USD 17,315 with the USD 14,465 being the 61.8% extension of legs 1 – 3 making it a key resistance area.

## Panamax April 18 daily



Source Bloomberg

**Resistance – 14,210, 14,365**

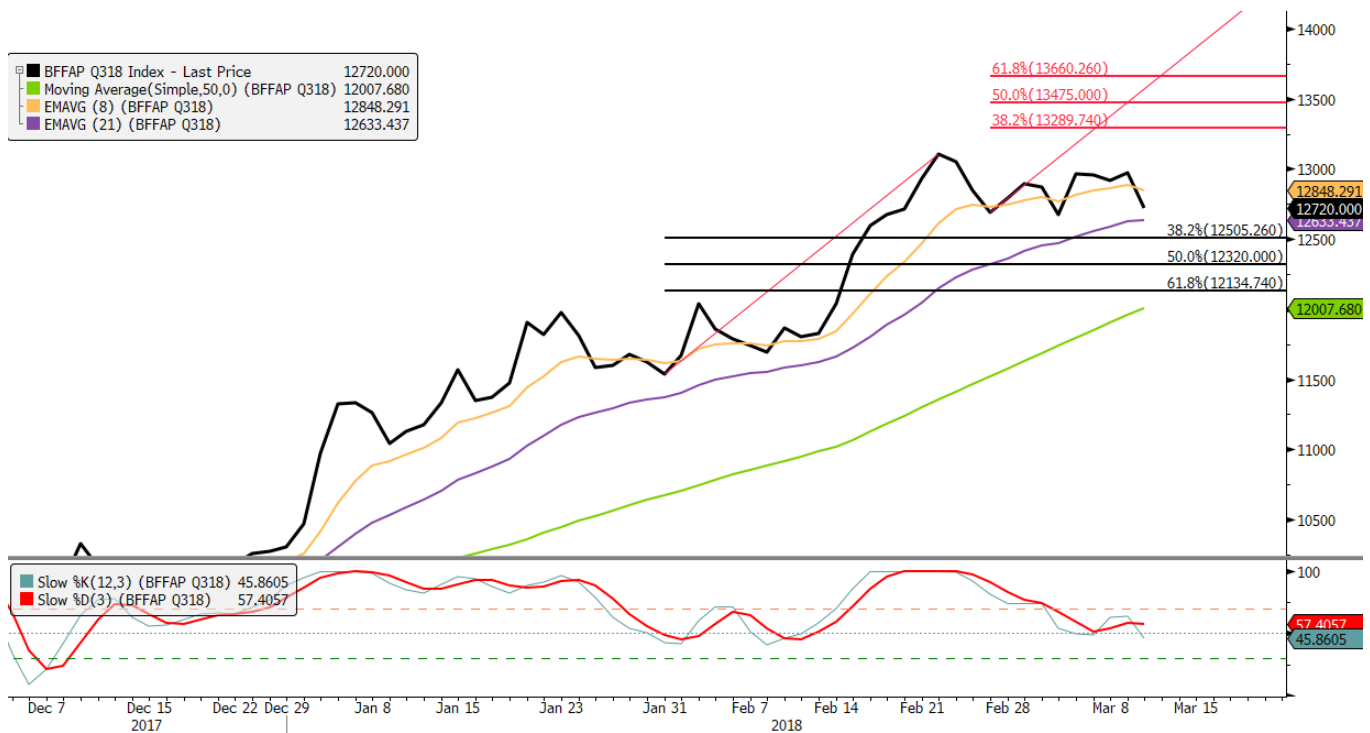
**Support – 13,490, 12,980, 12,830**

The April Futures remain in bullish territory above the USD 13,490 support. However, the 8 and 21 period EMA's are now starting to converge, not a sell signal it does warn of slowing momentum or the potential for the market to range.

Upside moves that close above the USD 14,210 resistance would be regarded as technically bullish and increase the probability of the market achieving new highs.

Downside moves that close below the USD 13,490 support would put price action back into bearish territory. Wave analysis on the rolling one-month future would suggest we are currently on a wave 4, this would imply that any downside moves should be corrective rather than bearish at this point.

## Panamax Q3 18 Daily



Source Bloomberg

**Resistance – 12,970, 13,105, 13,289**

**Support – 13,675, 12,505, 12,320**

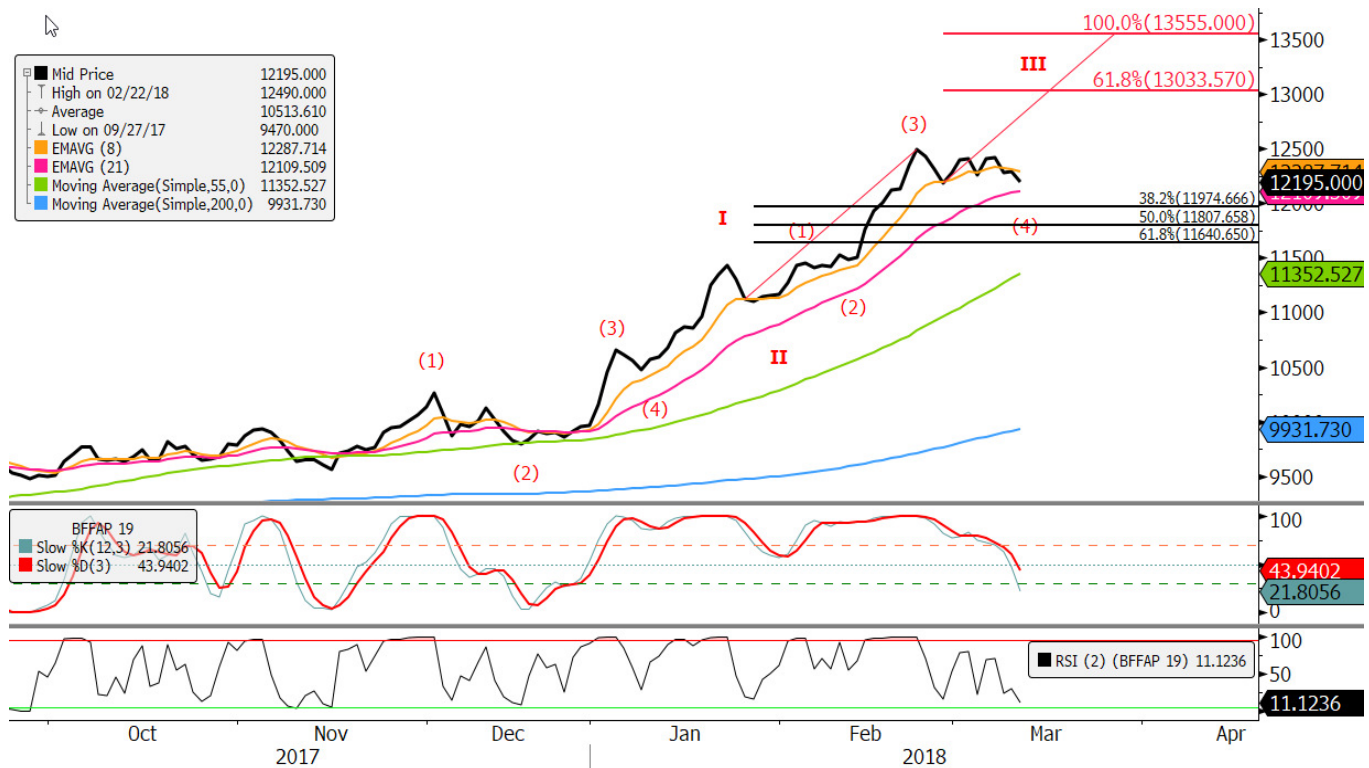
The sideways action on the Q3 18 futures would suggest we are in a leg 4 corrective phase. Technically price action remains in bullish territory as it remains above the 8 – 21 period EMA's and has recently made a new high above the USD 12,890 resistance.

Upside moves that hold above the USD 12,675 support and close above the USD 12,970 resistance would confirm a leg 5 of an Elliott wave cycle. Crucially by holding above the support it would suggest that we have seen a leg 5 of leg 3 and not a market top.

A close below the USD 12,675 support would indicate that we remain in a leg 4 corrective phase. It doesn't mean that there will not extended wave, however the further the pullback in price the less likely the third wave will extend.

**Bullish but in a corrective phase.**

## Panamax Cal 19 Daily



**Resistance – 12,405, 12,490, 13,033**

Source Bloomberg

**Support – 11,974, 11,807, 11,640**

A small error on the wave analysis last week as it would appear we are on wave 4 of wave 3 and not wave 4 of wave 5. From a technical perspective this does not change the directional play of the trend as it was previously bullish and in a corrective phase, and this remains the case. Price action remains above the EMA's which although converging continues to be bullish.

Technical support is between USD 11,974 and USD 11,640 with resistance at USD 12,405. A close above the USD 12,405 resistance would create a new high and be regarded as technically bullish and suggest we could be entering wave.

Downside moves that trade below USD 11,455 would create a wave overlap, although this is generally accepted in Elliott wave it would warn that the technical is severely weakened.

## Technical Analysis Glossary

### **Pivot Point**

A point where the market makes a new high or low, before reversing in direction.

### **Trend Line**

A directional line connecting pivot points.

### **Primary Trend**

The main trend line over an extended period of time.

### **Secondary Trend**

Distinct from but within the primary trend. Indicates recent trend.

### **Support**

A previous market low where market participants have been prepared to enter long positions.

### **Resistance**

A previous market high where market participants have been prepared enter short positions.

### **Range**

An area between the support and resistance.

### **Relative Strength Index (RSI)**

A technical momentum indicator that compares the magnitude of recent gains to recent losses in an attempt to determine overbought and oversold conditions in an asset. The RSI ranges from 0 to 100. Typically speaking, an asset is deemed to be overbought once the RSI approaches the 70 level, and likewise, as the RSI approaches 30, it is deemed to be oversold.

### **Fibonacci Retracement**

Refers to areas of support or resistance. A Fibonacci retracement shows the potential retracement of a financial asset relative to the original move in price. A trend line is drawn between two points and then the vertical distance is divided by key Fibonacci ratios; 23.60%, 38.25%, 50.00%, 61.80% and 100.00%. This tool can also be used as a projection method.

### **Moving Average Convergence Divergence (MACD)**

A trend-following momentum indicator that shows the relationship between two moving averages of prices. The MACD is calculated by subtracting the 26-day exponential moving average (EMA) from the 12-day EMA. A nine-day EMA of the MACD, called the "signal line", is then plotted on top of the MACD, functioning as a trigger for buy and sell signals on the crossover of the two lines. The histogram highlights the narrowing and widening of the two averages acting as an indicator for slowing or increasing momentum in the market. I.E a flattening or decreasing histogram in an upward market would suggest that the upward move could soon stall.

## **Award winning broker**

In 2015 FIS was named as the best performing inter-dealing broker in Iron Ore swaps and options by Singapore-based SGX AsiaClear for the third consecutive year.

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