

# FIS European Close

info@freightinvestor.com | www.freightinvestorservices.com | (+44) 207 090 1120

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	29125	30250	3.9%	Pmx 1 month forward	26375	27150	2.9%
Cape Q3 21	32125	33075	3.0%	Pmx Q3 21	26225	27000	3.0%
Cape Cal 22	22050	22487.5	2.0%	Pmx Cal 22	16550	17000	2.7%

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Smx 1 month forward	27275	27750	1.7%	Brent	71.5	71.92	0.6%
Smx Q3 21	26400	26750	1.3%	WTI	69.22	69.75	0.8%
Smx Cal 22	16250	16325	0.5%	Iron ore	192	200.75	4.6%

Data Source FIS and Bloomberg

## Iron Ore

The technical is still neutral despite the futures trading down to USD 190 before rallying to a high of USD 202.65. The corrective move lower held the Fibonacci support before trading back above the 200 period MA. If we close above the USD 200.80 or trade above the USD 204.35 in the coming days, you could see some form of bullish breakout. USD 190 is the fractal support, if broken the futures become bearish. One thing to watch, Kallanish are reporting on Bloomberg that there is a stubborn Covid outbreak in Guangdong, there are only a few dozen cases, including the first community transmission of the so-called Indian variant. Restrictions have been imposed locally and at the provincial boundary, however it is something to keep an eye on in case it escalates.

## Capesize

We have been highlighting the positive divergence in the morning and evening reports for the last couple of days and it seems that the market could be potentially readying to turn a corner. Price got a bit messy in the morning with the futures trading down to a low of USD 27,375 before soaring like a salmon, to close the day at USD 30,250, Up USD 1,125. Price and momentum are going to close the day very close to being aligned to the buyside, with the upside move on the intraday signaling momentum is improving based on price. Price still needs to break an intraday trend resistance and the index needs to close above the USD 21,973, but the early signs are there that the technical condition is improving. Just a point of note, we have traded below the USD 28,210 level this morning, on paper the technical is neutral/bullish rather than bullish.

## Panamax

The Panamax index accelerated again this morning on reports the Atlantic was up, resulting in an upside push in the futures. A bearish Harami on the Q3 contract yesterday created a test to the downside on the open; however, those that subscribe to our morning technical will have seen the intraday testing (and holding) trend support, whilst the RSI was holding above 50 and the stochastic oversold. Momentum warned the market was vulnerable to an upside move and this has proven to be the case with the futures closing USD 775 higher at USD 27,000, keeping the technical in bull territory. Keep an eye on the intraday RSI as above USD 27,300 it could show a negative divergence, it does not mean the market is a sell, but it needs to be monitored.

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## Supramax

Technically bullish but not a technical buy on the back of our wave analysis and the negative divergence on the RSI. The index is back up and showing bullish momentum based on price, whilst the futures will show a negative divergence above USD 28,250 in the July contract. The bearish Harami yesterday had warned that the directional breakout could come from the downside, unfortunately we got a directional fake-out with an initial move lower, before closing the day on its highs at USD 27,750. From a technical perspective it looks like we could test the USD 28,250 high in the coming days.

## Oil

Oil went from Backfoot to front foot in the space of 2- hours today with price reversing early losses to close the European session at USD 71.74. Inventory data tomorrow, investors are looking like they are expecting a draw which could be interesting. USD 72.00 - USD 72.27 is the area to watch, recent upside moves have seen a drop in open interest suggesting we have been seeing market distribution in recent days. If we close above the USD 71.70 level and hold above it during the Asian session, then we could see market buyers looking to test the resilience of the market seller. If it succeeds USD 75.60 is the next major high on the weekly chart.

Have a nice evening.

Ed Hutton