

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	37800	37375	-1.1%	Pmx 1 month forward	35725	36125	1.1%
Cape Q3 21	40033	39325	-1.8%	Pmx Q3 21	35925	36025	0.3%
Cape Cal 22	24825	24875	0.2%	Pmx Cal 22	20075	20025	-0.2%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	35125	34800	-0.9%	Brent	74.62	74.94	0.4%
Smx Q3 21	34800	34450	-1.0%	WTI	72.77	73.2	0.6%
Smx Cal 22	19050	18825	-1.2%	Iron ore	212.5	206.5	-2.8%

Data Source FIS and Bloomberg

Iron Ore

As the communist party prepares to turn 100 the iron ore has given it a little birthday present by selling of USD 5.00 on the back of output restrictions relating to the celebration. The upside moves failed to break key resistance levels with the July futures showing a rounding top formation, suggesting there could be further to go in this downside move, the same pattern recently took the July contract down to USD 195.05, making this a near-term downside target.

Capesize

Another good index for the capes (up USD 951 to USD 34,299) gave some small support to the July futures. Prices are lower, but only USD 425 meaning the disparity gap between the index and the futures is now sitting at a healthy USD 3,000. Focus has switched to the August contract which opened below the daily pivot point this morning (USD 42,225) warning the intraday technical picture was weak. The rolling front month chart has a bearish window up to USD 42,250, if the futures roll had put the August above this level, then it would have supported a bull argument, at this point the gap remains open leaving the technical vulnerable to further pullbacks. Tomorrow's pivot point is looking like it will be at USD 41,416, so unless there is a shift in momentum to the bull side overnight, we could be in for another weak open as the August is at USD 40,875.

Panamax

Another rise of USD 1,640 has taken the index up to USD 34,751 and the July futures up to USD 36,165. Like the capes the disparity gap is at a comfortable level for the futures roll in the morning. The August contract is flat to small down on the day with price continuing to show a minor divergence with the RSI, interestingly we have not seen confirmation of the dark cloud cover candlestick pattern highlighted yesterday, suggesting we continue to see support at these levels. Tomorrow's pivot will be at USD 36,208 with the August closing the day at USD 36,675, in theory we should see a bullish open, suggesting market buyers might try to push the futures above the USD 37,250 level and negate the dark cloud cover.

Supramax

The index is up USD 245 today, it is consistent and to an extent predictable. The July futures continue to edge lower as it prepares to narrow the disparity gap, which is still at USD 2,670, suggesting further weakness in the July as the market rebalances. The rolling front month technical however remains bullish with the August closing USD 700 above tomorrow's pivot point, this keeps the technical bullish but puts it in divergence with the RSI warning of the potential for a momentum slowdown.

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Oil

The market technical is risk off, but then we have OPEC around the corner so it could be the market is just taking profits in preparation. If the futures rise alongside aggregate open interest and volume after the meeting, then it will be all systems go for a bull move. For more information on the technical please follow the link FIS Technical – Brent Aug 21 29/06/21 <https://fisapp.com/wp-content/uploads/2021/06/FIS-Technical-Oil-Report-29-06-21.pdf>

It is coming home!

Ed Hutton