

# FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	34000	36875	8.5%	Pmx 1 month forward	34000	35000	2.9%
Cape Q3 21	33000	35166.5	6.6%	Pmx Q3 21	33625	34650	3.0%
Cape Cal 22	23575	23875	1.3%	Pmx Cal 22	19100	19175	0.4%

  

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Smx 1 month forward	32750	34250	4.6%	Brent	74.93	73.39	-2.1%
Smx Q3 21	32000	33250	3.9%	WTI	73.81	72.02	-2.4%
Smx Cal 22	18200	18550	1.9%	Iron ore	208.85	209.75	0.4%

Data Source FIS and Bloomberg

## Iron Ore

Like yesterday, the day session has failed to hold onto gains into the night session. The technical itself remains neutral with the futures continuing to display random price movement, as price trades around the longer-term averages. The Longer-term EMA's are flat meaning they are less likely to be respected due to the neutrality of the market, from a technical perspective adding a Bollinger band to the market could help to define when the market is overbought/oversold; however, once the Averages part and head higher/lower than the BB band should be removed as the market is likely to trend. USD 217.8 is the key resistance, we remain bearish below it.

## Copper

The futures looked to have recovered most of yesterday's losses with price moving higher during the European session. However, a rising USD basket on the open of the U.S session has seen the commodities basket come under pressure. For more information on the technical please click on the link. Copper Technical Report 07/07/21 <https://fisapp.com/wp-content/uploads/2021/07/FIS-Copper-Technical-Report-07-07-21.pdf>

## Tankers

The TD3C August futures have been coming under pressure due to the lack of agreement from OPEC. With output quotas remaining unchanged the freight has come under pressure. We are seeing a positive divergence between price and the RSI, but it is a minor divergence that is likely to see create a countertrend move at best. The elephant in the room is what happens now with OPEC? The spat between the Saudis and the UAE has traders worried that all bets will be off, resulting in the cartel effectively opening their taps. If this becomes the case, then forward hedging against higher pricing will be the order of the day as open tonnage would become chartered. For more information on the technical please follow the link TD3C Aug 21 Futures 07/07/21 <https://fisapp.com/wp-content/uploads/2021/07/FIS-Morning-Technical-Tankers-07-07-21.pdf>

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## Capesize

Yesterday we noted a bullish intraday candlestick play followed by a bullish Harami on the close of the August futures, warning we could see higher pricing today. The Harami pattern played out with the futures closing USD 2,875 up on the day, however this is USD 1,250 off the high. If the futures close above the USD 36,000 level, then it will be above the high of the low candle (see yesterday morning's intraday technical for an illustration) and warn that momentum is improving based on price, implying we could see further upside price action tomorrow. The futures will need to open above the USD 36,458 level as this is tomorrow's daily pivot point, if open and hold above it this will further support a buyer's argument. A good index today, up USD 1,709 means that momentum is seen to be improving based on price.

## Panamax

The index was down USD 90 today at USD 36,011, momentum remains bearish based on price, but the index move lower is already showing signs of slowing down. If we close above the USD 36,521 level it will signal the buy-side momentum is improving, suggesting the USD 37,086 high could be tested. It was a mixed day for the futures as the bullish Harami pattern did result in an upside move, however we opened at 35,150 and closed at USD 34,625, up USD 625 on the day. An up day with a down candle, tomorrow's pivot point will be at USD 35,016, meaning that is a good chance we will open below it. However, price has closed above the high of the low candle, the technical is giving some conflicting signals here and could make for a bit of a whippy open. To keep it simple, if we open below the USD 34,625 level then the intraday price and momentum will be conflicting, if we open above it then market buyers are in control.

## Supramax

Three out of three on the bull Harami stakes today with the August Supramax futures moving USD 1,500 higher, to USD 34,250. A strong close with price just USD 300 of their high would suggest upside continuation tomorrow; the daily pivot point will be a little close for comfort at USD 34,016, so it is important that we hold above this level on the open. The index remains corrective coming in USD 122 lower at USD 32,001, leaving the disparity gap at USD 2,250. Market longs will want to see the index above USD 32,230 as this would justify their bull argument. Bullish price action with a bullish close, we now need to see a bullish open.

## Oil

Oil caught a bid this morning but did not look a convincing buy. We noted on the morning report that price had not moved high enough to be considered as bullish with momentum suggesting we could see a test to the downside. This proved to be correct with the futures weakening aggressively through the day, having traded to a high of USD 75.99 they will close the E.U session around 73.35. The Bloomberg headline is spot on today 'Oil Drops with Stronger Dollar and OPEC-Fueled Uncertainty' and there is little to add to that. The USD basket is bid and looks technically bullish, whilst the OPEC debacle has left the market uncertain and wondering if they are just going to turn on the taps! Tomorrow we will need to see if OI is building, if it is then it is the market going short.

Have a nice evening.

Ed Hutton