

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	36875	36500	-1.0%	Pmx 1 month forward	35000	33550	-4.1%
Cape Q3 21	35166.5	35250	0.2%	Pmx Q3 21	34650	33475	-3.4%
Cape Cal 22	23875	24044	0.7%	Pmx Cal 22	19175	18850	-1.7%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	34250	33250	-2.9%	Brent	73.34	73.75	0.6%
Smx Q3 21	33250	32400	-2.6%	WTI	72.13	72.56	0.6%
Smx Cal 22	18550	18275	-1.5%	Iron ore	209.75	204.8	-2.4%

Data Source FIS and Bloomberg

Iron Ore

Iron ore has come under pressure today with the August futures trading down to a low of USD 201 before closing the E.U session around the USD 205.50 level. Price is being driven down after China signaled more efforts to help firms deal with soaring commodities prices as the nation pushes ahead with its pledge to clean up the emissions-heavy steel industry (Bloomberg). The corrective move lower has held the 200 period MA after a correction in steel prices has pushed margins up to RMB 503. The technical remains in bearish territory with the brake in fractal support at USD 202.00 warning the technical is weakening. From the bull side price has held the 200 period MA whilst the stochastic is oversold. If margins hold then we could see mills supporting the market.

Copper

Copper dropped along with other industrial metals, with policy makers around the globe flagging risks to economies and persistent Covid variants fueling doubts over the outlook for growth (Bloomberg). The futures had tried to put in a bull day yesterday, but the rising USD basket resulted in the futures giving up some of their gains coming into the close. Price is dropping and testing the USD 92,36 support but the reality is the market is starting to consolidate with no real movement in the last 8 trading days. The USD is coming under pressure late on suggesting we could see buying support into the close, however this looks to only be a corrective phase suggesting copper support could come under pressure in the coming days.

Capesize

Momentum is now improving on the index based on price, with a near –term upside target at the USD 34,299 level. The August futures have consolidated to produce an inside day candle pattern. In theory an upside move above the USD 37,750 level would be considered as bullish, whilst downside moves that open below the USD 36,500 level would indicate price could weaken. Price has closed below tomorrows pivot point and on the low of the day, suggesting we could come under pressure on the open. We failed to trade above the USD 45,750 high on the last bull move, meaning we have not completed this phase of the wave cycle. We remain bullish with downside moves considered as against the trend.

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Panamax

The index continues to move lower and is now pricing at USD 35,816, resulting in the August futures trading USD 1,450 lower today to close at USD 33,550. The technical is corrective, a spinning top followed by a bear candle today would warn that the USD 31,125 support could be tested. Our concern is that the long period EMA's are well spaced, signaling a stable trend whilst the RSI is making new highs. From a technical perspective this move lower looks like it is the market rebalance, potentially from being over-long. This would suggest that market selling should be for short term scalping, as major shorts that build around these levels have a good chance of getting squeezed. The Supramax Elliott wave count is corrective, but the trend is far from over, corrective yes, bearish, no.

Supramax

We have a Supramax technical today, in short, we are in a corrective wave 4 of this phase, but this cycle is big. We are still in the wave 3 of 3, for more information please follow the link. Supramax Technical 08/07/21 <https://fisapp.com/wp-content/uploads/2021/07/FIS-4-PAGE-SUPRAMAX-REPORT-08-07-21.pdf>

Oil

Oil rebounded after a U.S. government report showed rapidly declining inventories and record-high fuel demand during the peak summer driving season (Bloomberg). Oil has reversed early gains meaning there is a potential bullish rejection candle in play. A strong recovery in demand is giving the market support, though in other areas of the commodity sector rising COVID rates are still a concern, the futures are currently bearish but in that support zone around USD 72.00 we mentioned a couple of weeks back. Will the market finally get the value it has been seeking, or are we about to witness a dead cat bounce?

Have a nice evening.

Ed Hutton