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 | 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% | lron 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 downisde 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 downisde moves considered as against the trend.

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at <u>www.freightinvestorservices.com</u>

FERTS AGRI OIL WET FFAS DRY FFAS IRON ORE METALS AIR FREIGHT COAL

European Close

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

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

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at <u>www.freightinvestorservices.com</u>