

# FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	31050	34625	11.5%	Pmx 1 month forward	28500	29875	4.8%
Cape Q3 21	30800	33250	8.0%	Pmx Q3 21	29475	30675	4.1%
Cape Cal 22	22200	22925	3.3%	Pmx Cal 22	16725	17000	1.6%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	29000	29925	3.2%	Brent	74.54	74.05	-0.7%
Smx Q3 21	28850	29825	3.4%	WTI	72.93	72.3	-0.9%
Smx Cal 22	16525	16900	2.3%	Iron ore	210.45	212.5	1.0%

Data Source FIS and Bloomberg

## Iron Ore

Price held steady yesterday with the August futures rising to a high of USD 213.50 in the day session. The futures have since closed on the 4-hour candle below the Bollinger band resistance at USD 213.78 (close 212.20), price is now sitting on the 8 period EMA. The technical picture is improving but remains below the key fractal resistance at USD 217.80, the market is neutral bearish. Bloomberg steel profit index remains firm at RMB 629 with data in China released today indicating the economy is stable and still growing, suggesting we could potentially test the USD 214.50 - USD 217.80 resistance zone. Technically in range but testing key resistance levels.

## Copper

Signs of continued recovery in the two biggest copper-consuming nations point to rising global demand and helped assuage concerns over China's efforts to rein in raw material costs, which have weighed on metals. Meanwhile, Federal Reserve Chair Jerome Powell defended the central bank's stance to keep giving support to the U.S. economy even as inflation runs at uncomfortable levels (Bloomberg). The daily technical continues to find resistance at long-term EMA's (30 to 60 periods) which remain flat indicating a lack of trend. The intraday technical looks to have broken a small trend resistance that has formed between the 06/07-14/07. If the breakout holds it could be an early signal for upside continuation, support is already being tested so we should have a better idea by tomorrow.

## Capesize

The futures did not get to test the USD 29,734 support on the August contract, the downside moves created the positive divergence that we had previously highlighted, resulting in the futures trading above the USD 33,625 resistance. Intraday price has made a higher high indicating it is considered as bullish with price USD 700 bucks above tomorrows pivot point (USD 33,983), suggesting we should/could see further upside tomorrow. The intraday is bullish, but the daily technical needs to trade above the USD 38,125 to create a higher high. As previously stated, our wave analysis has this downside move as a corrective wave 4, as the futures did not trade above the USD 45,750 high on the last bull wave. Up USD 3,575 on the day to close at USD 34,625.

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## Panamax

The index continues to move lower with price now at USD 32,034 (down USD 1,260), as highlighted yesterday there is a bullish hidden divergence in play suggesting we could see a momentum slowdown soon. For the futures it has been a positive day with the August contract USD 1,375 higher, at USD 29,875. The daily technical has produced a bullish Harami pattern warning we could see upside price action tomorrow, a close above USD 3,000 would be considered as bullish, however a close above the USD 31,250 level would be preferable, as this would be above the high of the low candle. Tomorrow's pivot is at USD 29,500, meaning we need to see higher pricing above this level on the open, otherwise we could see renewed selling pressure. Intraday price and momentum are conflicting, at this point we are seeing some bullish signals, but we are not out of the woods yet and need to see further positive price action to convince that the corrective phase is over.

## Supramax

The index is down another USD 373 to USD 30,791 but the August futures have caught a bid with the rest of the freight complex. The August is now considered as neutral bullish as the pullback is deep, however our wave analysis is still suggesting this is a countertrend wave 4 of an extended wave 3. We are keeping our bull hats on for now and calling this move countertrend, the technical is corrective and needs to move higher to produce better bull signals. Tomorrow's pivot point is at USD 29,925, in theory we should open above this level which would support a buyer's argument.

## Oil

We noted that the technical was suggesting that we may already have seen a top with oil needing an event for it to maintain its bull run. The USD basket is moving higher, OPEC and Co. are looking like they could formalize a deal soon (Bloomberg), this has resulted in the futures coming under further pressure with price trading to a low of USD 73.19. The technical has already made a lower low, with the RSI now at 52 the futures will need to hold, otherwise price and momentum will be considered as bearish if we go below 50. All eyes will now be on OPEC to see how significant any hike will be.

Have a nice evening.

Ed Hutton