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

FIS European Close

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	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Cape 1 month forward	34625	34500	-0.4%	Pmx 1 month forward	29875	30750	2.9%
Cape Q3 21	33250	32933	-1.0%	Pmx Q3 21	30675	31175	1.6%
Cape Cal 22	22925	22750	-0.8%	Pmx Cal 22	17000	17300	1.8%

	Previous Close	Current Close	% Change		Previous Close	Current Close	% Change
Smx 1 month forward	29925	31750	6.1%	Brent	73.29	73.77	0.7%
Smx Q3 21	29825	30925	3.7%	WTI	71.49	72.08	0.8%
Smx Cal 22	16900	16975	0.4%	Iron ore	212.5	213.85	0.6%

Data Source FIS and Bloomberg

Iron Ore

Iron ore futures climbed in China as robust exports from Australia's main maritime gateway signaled resilient demand, while attention turns to potentially tighter supply. Shipments from Port Hedland jumped to 50.4 million tons last month, the second-highest level ever, underpinned by rampant demand for the steel-making material as global economies recover. Rio Tinto Group warned Friday that iron ore supply had "struggled to keep pace" with consumption, with the world's top producer reporting a drop in quarterly shipments and warning full-year cargoes may be at the lower end of its forecast (Bloomberg). The futures have broken fractal resistance at USD 514.50, suggesting we could trade above the USD 217.80 to take the technical in bull territory, the demand is still there, supply is tight, and margins are at RMB 684. Unless the Chinese government pull another rabbit out of the hat, there is a good chance the futures could be about to go on another bull run.

Copper

Yesterday we witnessed a trend break accompanied by supportive data from the world's two largest economies. The trend resistance held overnight; however, we did not see follow through today with the market a little subdued this afternoon, price quietly drifted back to the trend/pivot point at USD 94.18. The futures are holding for now with the week looking like it is done, leaving the market sitting on the flat longer period averages that would signal a lack of trend.

Capesize

The downside move in the index is slowing whilst higher numbers are being reported in the physical market, suggesting the index could turn higher early next week. The August futures have had a volatile week with the 5-day Average True Range (ATR) closing the week at USD 3,103, meaning daily price movement has expanded nearly USD 1,000 since last week. This has resulted in a price and momentum slowdown today with the futures entering a consolidation phase. The futures have produced an inside day giving us a breakout range of USD 35,250—USD 32,750, if it is to the upside then we target USD 38,125, if it is to the downisde then logical support is at the USD 31,050 low.

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Panamax

The index is still heading lower and is now at USD 31,383, down USD 651 on the day. Momentum is slowing to the downside rapidly and this is being reflected in the futures, yesterday we noted a bullish Harami pattern had formed in the August contract, resulting in in the futures moving another USD 875 higher today. The intraday futures have now entered neutral territory but will need to trade above the USD 31,250 level to be considered as bullish. From the weekly perspective the technical remains in balance, price has held the 15-period EMA at USD 28,500 but will close below the weekly pivot point (USD 31,091). As previously stated, we see this as a corrective wave 4 of an extended wave 3 of this phase, if you look at the weekly chart the cycle starts in Jan 2020 and entered the wave 3 in Jan 2021. I am going to give you some food for thought, with this Panamax cycle, the weekly chart is on wave 3, the daily chart is on wave 4 of the of wave 3 of the phase that started in Jan 20. This means that you are looking at an extended wave 3 within an extended wave 3. There is another name for this move, supercycle.

Supramax

The August futures held at the same 15-period EMA on the weekly chart as the Panamax, the only difference being is that the futures closed the week at USD 31,750, above next week's weekly pivot at USD 31,391. From a technical perspective we have a 3-wave corrective pattern with the futures now trading higher, suggesting we could potentially be in the early stages of a bull-ish wave 5 of this phase. If this is the case, then the near-term upside target is at USD 35,625.

Oil

An oil technical to finish the week FIS Technical – Brent Sep 21 16/07/21 https://fisapp.com/wp-content/uploads/2021/07/FIS-Technical-Oil-Report-16-07-21.pdf

Have a nice weekend.

Ed Hutton

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